

**11th Kuala Lumpur International Business, Economics and Law Conference**

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Paper Title : Labor Unions and Organization Performance: Industrial Conflict
Date : October 28th, 2016

NOTIFICATION OF PAPER ACCEPTANCE

Dear Ms. Dewi Ratih,

Congratulations. Your submission (KLIBEL11-062) entitled "Labor Unions and Organization Performance: Industrial Conflict" has been **accepted** for presentation at the conference.

You are therefore requested to submit "Revised/Camera-ready paper" before **Friday, November 04th, 2016**.

The reviewer's comments, if any, are provided to assist you in preparing your revised/camera-ready paper. You may submit your Camera Ready paper here: [Submit Revised/Camera Ready Now](#)

We would like to remind you that the **Conference Fee shall be paid 2 weeks before conference date**. The early birds discounts due on Saturday, December 10th, 2016. Failing to pay during the stipulated period will result in ineligibility to have your paper published in the proceeding. The 11th Kuala Lumpur International Business, Economics and Law Conference will be held on 17 – 18 December 2016 at Hotel Bangi - Putrajaya, Bandar Baru Bangi, Selangor, Malaysia.

Thank you for your cooperation and attention.

We are looking forward to seeing you at the conference.

Best Regards,

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Reviewer's Comment:

REVIEWER 1:

The paper was written academically and professionally in which implying the content of the paper. Prepare the paper in Microsoft Word.

Why Malang was chosen in the study? Explain.

Justification on the usage of the method shall be discussed in the methodology section. Kindly follow the conference format accordingly

KUALA LUMPUR INTERNATIONAL BUSINESS, ECONOMICS & LAW CONFERENCE

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“BUSINESS, ECONOMICS AND LAW:
**INTERNAL AND EXTERNAL
CHALLENGES OF A NEW AGE**”

17 – 18 DECEMBER 2016
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GENERAL INFORMATION

Welcome

It's our pleasure to welcome you in the 11th Kuala Lumpur International Business, Economics and Law Conference (KLiBEL11), held in Hotel Bangi-Putrajaya, Selangor, from December 17 – 18, 2016. The conference is organized by ZR Resources (Co. Reg. No. 002131022-P) in collaboration with Ryverra Sdn Bhd and invited Academicians from local university in Malaysia, with the support from Tourism Malaysia. We wish you a pleasant stay and a fruitful conference.

Venue

The conference venue will be the **Hotel Bangi-Putrajaya, Bandar Baru Bangi, Selangor, Malaysia**

Conference Site

- The Opening and Closing Session will take place at Lily Hall (Level 1)
- The Parallel Sessions will take place at Lily Hall and Lily Room 2 (Level 1)

Note: Hotel Lobby is on Level 3

Tea and Lunch Breaks

Tea breaks will take place outside the Parallel Session's Room.

Lunch break will take place in the restaurant of the Hotel Bangi-Putrajaya. Lunch will include a variety of national dishes, including vegetarian food. Lunch coupon will be provided during registration.

No Smoking

Smoking is prohibited in all public buildings.

Internet Access

Inside the Conference venues will be a wireless free internet connection.

Map of the City

You will find the map of the city in Conference Welcome Pack.

Local Public Transport

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Buses

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Taxis

Please refer to Reception Counter for assistance.

Conference Venue:

The seminar will be held at Hotel Bangi-Putrajaya (formerly known as Hotel Equatorial). A picturesque 5-star conference resort, conveniently located midway between Kuala Lumpur International Airport and Kuala Lumpur city centre. Built atop Bandar Baru Bangi's highest peak, it is surrounded by a 27-hole championship golf course, lush tropical greens and offers wonderful vistas and serene environment



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You could reach Malaysia through Kuala Lumpur International Airport 1 (KLIA1), Kuala Lumpur or Kuala Lumpur International Airport 2 (KLIA2) or Subang International Airport, and then hire a limousine or a taxi from KLIA to Hotel Bangi-Putrajaya for approximately 50 kilometers. Normal charge for each taxi is about RM80 (USD20). Additional charge might be applied if you travel after midnight.

Hotel Bangi-Putrajaya

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CONFERENCE SCHEDULE

Saturday, December 17, 2016

Time	Event	Venue
7.30am – 8.30am	Registration	Lily Hall (Level1)
8.30am – 9.30am	Opening Session Welcoming Remarks Keynote Speaker Assoc. Prof. Dr. Mohd Rizal Palil Head of Accounting Program Faculty of Economics and Management Universiti Kebangsaan Malaysia Photography Session	Lily Hall (Level1)
9.30am – 10.00am	Networking Break	Lily Hall (Level1)
10.00am – 1.00pm	Parallel Session 1	Lily Hall/ Lily Room
1.00pm – 2.00pm	Networking Break	Café Lavista (Level3)
2.00pm – 4.00pm	Parallel Session 2	Lily Hall/ Lily Room
4.00pm – 4.15pm	Networking Break	Lily Hall (Level1)
4.15pm – 6.15pm	Parallel Session 2 (continue)	Lily Hall/ Lily Room
6.15pm – 6.30pm	Closing Session	Lily Hall (Level1)

Sunday, December 18, 2016

Time	Event	Venue
7.30am – 8.00am	Assembly For Bus Tour Visit	Lobby
8.30am – 4.00pm	*Tour visit to Malacca Historical City	
5.00pm – 5.30pm	Back to Hotel Lobby	

Note: *Subject to change

PRESENTATION SCHEDULE:

Saturday, December 17, 2016

10.00am – 1.00pm

Parallel Session 1

Session Chair: Dr. Norhanim Abdul Razak

Venue: Lily Hall

Acc-18	Gamlath Mohottige Mudith Sujeewa	LOGISTIC REGRESSION MODEL FOR BUSINESS FAILURE PREDICTION OF DISTRESSED FIRMS OF COLOMBO STOCK EXCHANGE IN SRI LANKA
Acc-62	Dewi Ratih/Achmad Yunus	LABOR UNIONS AND ORGANIZATION PERFORMANCE: INDUSTRIAL CONFLICT
Acc-75	Dr. Hishamuddin Abdul Wahab	THE CURRENCY RISK EXPOSURE OF SHARIAH COMPLIANT FIRMS OF ASEAN-4
Acc-85	Edem E. Welbeck	PROFESSIONAL ACCOUNTANTS' ATTITUDE, PERCEPTION AND INTENTION TO ENGAGE IN SUSTAINABILITY REPORTING
Acc-86	Dr. Rina Trisnawati	SUSTAINABILITY REPORTING AND EARNING MANAGEMENT. (EMPIRICAL STUDIES IN THE COMPANIES THAT PARTICIPATED IN THE INDONESIAN SUSTAINABILITY REPORTING AWARD (ISRA)
Acc-89	Dr. Noer Sasongko	EFFECT OF EARNINGS MANAGEMENT, INTELLECTUAL CAPITAL DISCLOSURES, INFORMATION ASYMMETRY AND FIRM SIZE TO COST OF EQUITY CAPITAL
Acc-106	Zulfikar	THE MODEL OF POLICY THE COMMUNITY BANKING SERVICES TO ENHANCE COMPETITIVENESS IN INDONESIAN ISLAMIC BANKING
Acc-120	Dr. Ali Mohammad Al-attar	THE EFFECT OF EARNINGS QUALITY ON THE PREDICTABILITY OF ACCRUALS AND CASH FLOW MODELS IN FORECASTING FUTURE CASH FLOWS
Acc-129	Hery Syaerul Homan	ENVIRONMENTAL ACCOUNTING ROLES IN IMPROVING THE ENVIRONMENTAL PERFORMANCE AND FINANCIAL PERFORMANCE OF THE COMPANY
Acc-145	Dr. Ismail Ait Saadi	FINANCIAL DISTRESS: FROM PREDICTION TO INTERPRETATION
Bus-123	Mohamed Abdul Cader Salfiya Ummah	MUSLIM WOMEN ENTREPRENEURSHIP IN SRILANKA- A STUDY OF WOMEN-OWNED/LED BUSINESSES IN EASTERN REGION

Session Chair: Dr. Loganathan Krishnan

Venue: Lily Room 2

Econ-68	Syed Munawar-Shah	NECESSARY AND SUFFICIENT CONDITIONS FOR OPTIMALITY OF DEBT CONTRACT
Econ-69	Norlita Binti Zainudin	THE DETERMINANTS OF FINANCIAL DEVELOPMENT IN FOUR SELECTED ASEAN COUNTRIES: A PANEL DATA ANALYSIS

Econ-99	Prof. Dr. Mudrajad Kuncoro	THE LINKAGE BETWEEN INDUSTRIALIZATION, URBANIZATION, AND TOURISM LESSONS FROM ASEAN AND INDONESIA
Econ-126	Mohana A/P Santheran	THE IMPACT OF IMPORT TAX LIBERALIZATION TOWARDS ECONOMIC COMPETITIVENESS OF MALAYSIA IN LONG RUN: A JOHANSEN CO-INTEGRATION APPROACH.
Econ-150	Nik Norsyamimi Md Nor	EXAMINATION OF JOB SATISFACTION AND TURNOVER INTENTION OF WOMEN TEACHERS IN SIBU SECONDARY SCHOOL, SARAWAK
Econ-136	Dr. Suryati Ishak	THE COSTS OF CRIME TO THE SOCIETY IN MALAYSIA
Law-8	Emmi Rahmiwita Nasution	THE NON-EXISTENCE OF LEGAL SYSTEM OF SOCIAL SECURITY (ANALYSIS OF LAW NO. 4 OF 1996)
Law-9	Ida Nadirah	COMPOSITION BANKRUPTCY AS REALIZATION PRINCIPLES OF BALANCE BETWEEN DEBITORS AND CREDITORS
Law-29	Novi Sri Wahyuni, S.H., M.Kn.	LEGAL IMPLICATION ON LAND RIGHT CERTIFICATE ISSUANCE IN INDONESIA
Law-33	T. Muhammad Ali Bahar, S.H., M.Kn.	LEGAL STUDIES FINANCING AGREEMENT WITH WARRANTY MOVING OBJECTS IN INDONESIA

1.00pm – 2.00pm

Networking Break

2.00pm – 5.30pm

Parallel Session 2

Session Chair: Mohamed Abdul Cader Salfiya Ummah Venue: Lily Hall

Bus-7	Dr. Subramaniam Sri Ramalu	ISLAMIC WORK ETHIC AND ORGANIZATIONAL CITIZENSHIP BEHAVIOUR: A STUDY AMONG CIVIL SERVANTS IN MALAYSIA
Bus-82	Dr. Wiyadi	COST OF EQUITY CAPITAL AND REAL EARNINGS MANAGEMENT ON LISTED COMPANIES IN LQ-45 AND JAKARTA ISLAMIC INDEX
Bus-130	Gitiswhara Widjana	TRADITIONAL FESTIVALS: A TOURISM DEVELOPMENT CONTRIBUTION FOR CULTURAL WISDOM INHERITANCE
Bus-134	Yoginraj a/l M Rajendram	TAHAP KOMPETENSI DALAM PEMILIHAN KERJAYA KEUSAHAWANAN DALAM KALANGAN PELAJAR INDIA DI INSITUT PENGAJIAN TINGGI SWASTA DI SEKITAR BANGI.
Bus-144	Segaran Veeraya	THE ROLE OF ATTITUDE AMONG ICT EMPLOYEES TOWARDS GREEN IS READINESS AND INTENTION
Bus-153	Kamarudin Abu Bakar	MODELLING SUSTAINABLE BUSINESS STRATEGY FOR THE SMES IN THE NEW ECONOMIC TRANSITION
Bus-124	Dr. Norhanim Abdul Razak	REPRESENTATION OF PENANG AS A TOURIST DESTINATION

4.00pm – 4.15pm

Networking Break

Bus-139	Jannatul Ferdous	THE JOURNEY OF NEW PUBLIC MANAGEMENT: AN ANALYSIS
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Bus-133	Dr. Cheng, R.	HOW PRODUCT ATTRIBUTES AFFECT KPI: A CASE STUDY OF A 500-WORKER METAL STAMPING FACTORY IN CHINA
Bus-141	Dr. Cheng, R.	WHAT DOES THE INGLEHART-WELZEL CULTURAL MAP TELL US ABOUT THE FREEDOM OF HONG KONG?
Bus-148	Dr. T.Mangaleswaran	A CASE STUDY OF HUMAN RESOURCE MANAGEMENT PRACTICES: NORTHERN FARM IN VAVUNIYA, SRI LANKA
Bus-149	Dr. Cheng, R & Macapagal, I.	A HISTORICAL REVIEW OF ADMINISTRATIVE THOUGHTS FROM A CULTURAL PERSPECTIVE
Bus-128	Rini Andari	GREEN TOURISM ROLE IN CREATING SUSTAINABLE URBAN TOURISM

Session Chair: Ida Nadirah

Venue: Lily Room 2

Law-35	Prof. Yulia Mirwati	REGISTRATION OF WAQF OF COMMUNAL LAND IN WEST SUMATERA
Law-61	Maria Kaban	ROLE OF MEDIATION COMMITTEE AS A MEAN OF DISPUTE RESOLUTION FOR LOCAL COMMUNITY IN PERCUT SEI TUAN DISTRICT IN DELI SERDANG COUNTY
Law-71	Yusriando	BOARD OF BANKRUPTCY LIABILITY COMPANY LIMITED
Law-91	Hadi Karyono	ASSESSING FUNCTION INSTITUTE DEVELOPMENT VILLAGE COMMUNITY FOR PRE-PROSPEROUS COMMUNITY WELFARE IMPROVEMENT (CASE STUDY IN CENTRAL JAVA)
Law-102	Murtala Ganiyu Abdul Murgan & Barrister Nasiru	RETHINKING THE POTENCY OF ICAO SARPS ANNEX 16 VOL.II FOR REDUCTION OF INTERNATIONAL CIVIL AVIATION EMISSION
Law-108	Dr. Tito Sofyan	LEGAL PROTECTION FOR SHARES INVESTOR IN CAPITAL MARKET, IN INDONESIA

4.00pm – 4.15pm

Networking Break

Law-132	Dr. Loganathan Krishnan	EXAMINING THE LITMUS CHECK OF AUDITORS' CREDIBILITY TO ENSURE AUDITORS ARE EFFECTIVE WATCHDOGS IN COUNTERING FINANCIAL SCANDALS: A CASE OF MALAYSIA
Law-138	Prof. Muhammad Amanullah & Dr. Habibullah Zakaria	MISUNDERSTANDING ABOUT THE USULI MAXIM "NO IJTIHAD IN THE PRESENCE OF A TEXT" AND ITS CLARIFICATIONS
Law-146	Ema Septaria	IUU FISHING IN INDONESIA, ARE ASEAN MEMBER STATES RESPONSIBLE FOR?
Law-125	Nasir, Maruf Adeniyi	MONEY LAUNDERING: A PARADOX OF DETERRENCE MECHANISM
Law-140	Adila Reza Hasan	THE PERCEPTION OF CIVIL SERVANTS TOWARD ADMINISTRATIVE REFORMS IN BANGLADESH- AN ASSESSMENT OF CHANGE READINESS AND CULTURE

6.15pm – 6.30pm

Closing Session

Lily Hall

LABOR UNION AND THE COMPANY PERFORMANCE: INDUSTRIAL CONFLICT

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ABSTRACT

Today many conflicts arise that lead to destructive conditions concerning industrial relations, including conflict between the workers as a key element of the production and the entrepreneur as the owner of capital. Many workers demands against their rights to entrepreneurs who can not be packed in containers appropriate mediation so that not infrequently lead to greater conflict. Frame of mind in this study based on the fact that the management of conflicts in industrial relations requires the involvement of all stakeholders in the organization. Support regulations and policies are also strongly demanded that the conflict can be managed properly in order to achieve a favorable climate objectives so that employees can work optimally in order to achieve organizational goals through the organization's culture.

Organizational culture is very important role in supporting the creation of an effective organization. There are certain characteristics as forming an organizational culture that is used in this research is focused on the culture of quality. This study aims to map the factors related to conflict management in particular industrial worker organization's involvement in shaping the culture of the organization in conflict management.

This study uses a qualitative research design with a case study approach where the analysis of this research is done inductively. The design of this study refers to the model cycle of Kemmis and M. Taggart (1998) with four stages, namely: 1) preparation, 2) the implementation phase, 3) the stage of monitoring, and 4) the stage of reflection.

The role of labor union organizations to be very important in determining management policies. The union becomes a container in delivering the aspirations of employees that are part contribution to the company's employees. Union organization is able to manage conflict are expected to be part of the motor of the company's progress. Proven in some respects in accordance with the results of the research, the union was able to resolve conflicts without weakening partly conflicting parties. In running the organization, cultivate union members to work together and form solidarity among its members. Behaviors and habits that is expected to shape the culture of the organization mature and become a strong foundation for the progress of the company.

Keywords: labor union, organization culture, conflict, company, performance

INTRODUCTION

The current global economic growth forced the company to remain standing in the midst of increasingly fierce competition. The economic theory of competition in general start from the perspective that the market competition is the main instrument achievement both in terms of business efficiency productive efficiency or dynamic efficiency. Organizational necessity in the face of global competition must be addressed properly because it will impact the corporate culture that led to the organization's performance. There are many ways companies in order to stay alive in running the business, such as by pass a merger or business combination, an Initial Public Offering (IPO), improve performance and others with the goal of growth and development of the organization could be faster.

Through various efforts in order to survive, but the result was not as expected because many companies forget about the internal factors, the actual core of the problem. Expressed in various studies, existing data from companies fail to maintain their business more due to cultural conflicts. The average company pays little attention to cultural factors such as the core values of the organization.

Culture is the thing that always accompany human life. Culture is always there anytime and anywhere humans are. No exception to the life of the organization. In an organization, the essence of life itself an organization is found in the culture. Culture is in a different organization with a culture in our daily view. Culture in the organization is not interpreted as racial, ethnic background of the individual. According Trujilo Pacanowsky and O'Donnell (1991), the culture in the organization is defined as a way of life in the organization, such as climate or atmosphere of emotional and psychological, which include employee morale, attitude and productivity levels, as well as symbols. The values of the organization that also influences the formation of organizational culture acts as a source of power which is believed important and widely held in facing the challenges of a changing environment.

The progress of industrialization impact on how much manpower requirements, with the increased use of labor, the more causes problems and friction that eventually cause unrest within an organization. In the social interaction and interrelation between individuals or between groups unavoidable conflict. There are differences in the organization often results in a mismatch that ultimately lead to conflict. Conflict is basically due to the interaction called communication. This means, for managing conflict is necessary to first determine the ability and communication behavior. All communication containing the conflict, but not all conflicts are rooted in poor communication. Myers (1982: 234) states, if the communication is a transaction process that seeks to bring together the individual differences together to seek common meaning, then in the process there must be conflict.

Conflict is a natural phenomenon, in which the consequences that arise can be positive or negative and can be a serious problem regardless of the form and level of complexity of the organization. If the conflict leads to destructive conditions that can impact on the effectiveness of the organizational form of rejection, resistance to change, apathetic, indifferent, perhaps even destructive emotions arise in the form of a demonstration. Because of this, the expertise to manage conflict indispensable for any organization.

Today many conflicts arise that lead to destructive conditions concerning industrial relations, including conflict between the workers as a key element of the production and the entrepreneur as the owner of capital. Many workers demands against their rights to entrepreneurs who can not be packed in containers appropriate mediation so that not infrequently lead to greater conflict. Although the Constitution of 1945 already firmly set the guarantees protection of human rights in the political, economic, social, and cultural, not infrequently the struggle of the workers or workers fail.

Freedom of association as a fundamental right can not be separated from reality approach to social and political life with its different aspects like economic, educational, religious and so on. The reason is because aspects of the role is exactly what makes humans lose many opportunities to obtain her freedom. Cultural association and establish a good communication system is what will expected to make the organization more effective in achieving its objectives.

Indonesia in particular poured freedom of association in the Amendment of UUD 1945 Article 28 E Paragraph (3) which states that everyone has the right to freedom of association, assembly, opinion and expression, workers from forming a container which is expected to be a means to promote the interests of workers or workers in creating harmonious industrial relations, dynamic and equitable. From the description can be interpreted every worker in an organization or company is free to exercise his right to join a union and the right to protection of the law. Organization or company in this case is not limited to specific companies, either privately owned or owned by the government all have the right of association in accordance the applicable legislation so as with Jasa Tirta I were in this study the object being studied.

The dynamics of communication that occurs as a result of the execution of rights and obligations in industrial relations in Jasa Tirta I also can not be avoided. Various ways taken by the workers and employers in minimizing the potential for conflict as a result of the application of industrial relations. On January 2, 2002 Jasa Tirta I founded the Association of Employees of Jasa Tirta I (Ikajati) which is an organization employees of Jasa Tirta I, then Ikajati declared itself a unions are subject to the Law No. 21 of 2000 on Labor Unions is an organization of representation of workers, representing, acting for and on behalf of the workers in terms of negotiating the implementation of rights obligations between workers and employers, being a party to the negotiation and signing of the Collective Labour Agreement (PKB) in Jasa Tirta I.

Further through deep observation of phenomena that arise in organizational behavior at the object of research will hopefully find a clear proportion of participation labor unions in an enterprise to handling conflicts. The results of these observations will be tied to how the company's performance by focus on the role of the union in addressing the industrial conflict that occurred. In an earlier study said there are many reasons why employees Thailand joins the union, including compensation, protection, and organizational learning (Suchada Chanprateep, 2011). This indicates the importance of the role of labor unions to take part in any industrial conflict in an organization. The author hopes that this research could give a clear answer and thorough will be problems that arise related to the conflict, labor, management, organizational culture and corporate performance.

Research focus

Based on the background briefing that has been described above it appears that the ability and expertise of proper conflict management plays an important role in achieving an organization's effectiveness. In various studies that have been carried out, the fit between cultures grown in each individual with a growing culture within an organization (person-culture fit) with positive

implications, where employee turnover rates can be minimized. The higher the suitability only between individuals and organizations allow employees to remain within the organization (Bass & Avolio, 1993; Vestal, 1997).

One effort that can be done to realize the conformity and harmony between the individual and the organization is to disseminate organizational culture in order to minimize conflict by fostering better communication between the two. Building a culture of organizations by providing freedom of the Constitution of the Republic of Indonesia (UUD 1945) as a means of learning to adjust cultures grown in each individual organization's culture.

The struggle of workers in Indonesia during wants workers to have bargaining power or bargaining parallel with the employers and the Government in the conduct of industrial relations (three partiet), so cooperation three partiet organized into a solution equitable application of industrial relations in Indonesia. In order to create harmony and a culture of good organization in order to achieve company goals and employee benefits, employees formed a union that is expected to be a means intensive communication in conflict management that often arise in the social life of an organization including a conflict that may arise in Jasa Tirta I. Employees as one of the main elements of the production and services provided by Jasa Tirta I, as supreme leader of Directors as executive management Jasa Tirta I, as the owners of capital and government policy makers and supervision of labor legislation which three are forming elements of industrial relations.

The main objective of this study is a qualitative research is to understand the phenomenon or a social phenomenon in Jasa Tirta I with more emphasis on a complete picture of the proportion Ikajati as a labor union organization, assessed as variables that affect the conflict within the company itself. The hope is acquired a deep understanding of the phenomena that occur for further produced a theory that led to how the labor union organizations that play a role in shaping the culture of the organization to optimize the management of conflict for the sake of harmony in organizational life in order to achieve organizational goals and effectiveness of the organization in this case linked to the performance of the company.

Organizational Culture in Context Theory

Organizational culture in the public mind frame members of the organization, which this framework provides basic assumptions and values. Basic assumptions and values taught to new members as a way to perceive, think, feel, behave, and expect others to behave in the organization. Edgar Schein (1999) says that the culture of the organization developed over time as people in the organization learn to deal successfully with problems of external adaptation and internal integration. It's been discussed and the general background. Thus, culture emerges from what has been the result for the organization.

Organizational culture does not present itself among the inter-organization, but it needs to be formed and studied because basically the corporate culture is a set of values and behavior patterns are learned, shared by all members of the organization and passed on from one generation to the next. Organizational culture is very important role in supporting the creation of an organization or company effective. More specifically, the corporate culture can play a role in creating the identity, developing a personal involvement with the company and present a code of conduct for employees. On the other hand, the organization must have values that are believed to be, upheld, and drives the entire organization to achieve organizational goals, making these values into the organization's culture. There are certain characteristics as forming an organizational culture that is used in this research is focused on the culture of quality.

Organizations and Conflict in Perspective Rational

Humans have explored organizational change for over a thousand years. At the beginning of history, Adam Smith's research focuses on how to organize people to maximize productivity and efficiency. Other early pioneers like Frederick Taylor, Mary Parker Follett, Henry Fayol and L. Urwick using time-motion study to organize and maximize human performance from bottom to top (bottom-up), that is, to minimize motion in research into the image of Taylor turnover rate workers and maximize the output of individuals in the lowest level of the organization. Taylor (1911), Fayol (1916: 1949), Urwick (1937), and Mooney and Reiley all the supporters managerial functions (planning, organizing, command, coordination and control) as a closed system (Davis & Scott, 2003; Rahim, 1992). In addition, they collectively determine the top-down control that mechanistic with clear lines of authority and hierarchical structures that require division of labor, would theoretically encourage harmony and prevent conflict.

Mary Parker Follett (1926), touted as the leading edge of the decades other researchers, are also considered as organizational researchers classical theory, but Follett added two significant perspective to the theory during 1920. First, believe in an organization, constructive conflict added into the value of the organization, an opinion not shared by other fellow theorists who believe the conflict should be minimized. Second, Follett believed that repression, avoidance, domination and compromises are not effective in dealing with conflicts and instead strongly advocated for integrative problem solving methods by those in charge of managerial (Rahim, 1992).

The theory of modern organizations began to focus on the lack of humanity in the organization. Concentration on the humanistic aspects of the organization to attract more social scientists. Furthermore, the theory of human relations began to grow and gain the support of the theory as Lewin (1948), Likert (1967) and Whyte (1951). Literary (1966), Whyte (1967) and others added to the model despite a clearer understanding of the tensions and solving problems. Specifically Whyte (1967) states:

“The goal should not be to build a harmonious organization, but to build an organization that is able to recognize the problems it faces and to develop ways of solving problems. Because the conflict is an inevitable part of organizational life”.

Backed by a statement Nightingale (1974), “The conflict becomes a tool of social change and the effect on the symptoms of the disorder in the social relations” (p.175; Rahim, 1992, p 9). Several theories have considered organizational conflict as the antithesis of the organization and has started to stress the function of the conflict as an important seeds in organizational processes, such as activation and motivation, feedback and control, the balance of power and the formation of the coalition, growth and innovation, and bahkan lembaga institutions to channel and resolve disputes. These functions and dysfunctions revealed the centrality of the conflict in the life of the organization and complexity associated with the management. Secondly it is really important that managers and designers organizations understand the context in which the conflict occurred organizations and the various techniques available for use in the management, Miles (1980).

Power Industry and Labor Issues

Industry or company is a combination of capital, management and workers. They are a separate entity and has a different motivation. Investors are investing their primary concern is to get the maximum benefit. Management always be there to protect the interests of investors. In the process, workers have always been victims of their exploitation. As a partner of industry, workers want justice and get the return rights as a result of implementing the industry.

Of course, workers have the power to eliminate problems such as low wages, poor conditions of health, safety and so on. But individual workers are not able to fight on their rights against great combination between investors and management where they have the power, money and influence. Workers should know and understand that as individuals and employees will not be much they can achieve. Only through the efforts to organize themselves and their collective activities can effectively uphold their dignity as individuals and workers.

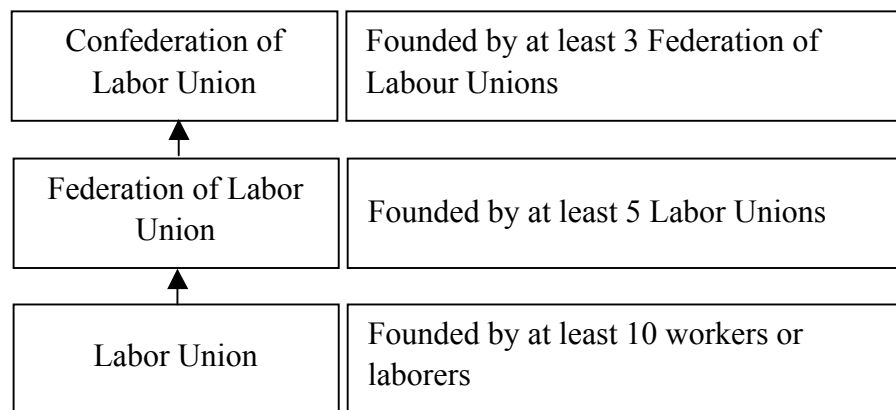
Organization of Labor Unions

Indonesia is legally had ratified ILO Convention No. 87/1948 which could be a reference to the legal basis for protection of the right to organize and the right of association. In the era of Abdurahman Wahid President, issued UU No. 21 of 2000 concerning labor unions that provide space and protection on every workers to establish and join a labor union. ILO Convention No. 98/1949 on the right to organize and the right to collective bargaining has also been ratified, this convention provides broader protection role and rights of labor unions on behalf of workers to conduct negotiations with the management for the repair and improvement of the terms and conditions of employment.

In the space of freedom of association and assembly is guaranteed by the Constitution of the Republic of Indonesia. Article 28 UUD 1945 stated: “Freedom of association and assembly, issued thoughts with oral and written, and so on are set by UU”.

Basic article in the constitution that are then complete the formal reference promulgation of UU No. 21 of 2000 on labour unions. Subsequent developments in the politics of employment law, workers / labor union is given a considerable role although it still remains to be improved. Construction organization of workers or laborers created tiered (hierarchical) as follows:

Figure 1. The Hirarchy of Institusal Organization of Labors



The hierarchy of institutional organization of workers or laborers are created to improve the bargaining position of laborers in industrial relations. Workers or laborers are working partners of employers is crucial in the production process in order to improve the welfare of laborers and their families, ensure the continuity of the company, and improve the welfare of Indonesia people in

general. Labor union is a means to fight for the interests of workers or laborers and creating harmonious industrial relations, dynamic and equitable. Therefore, laborers and labor unions must have a sense of responsibility for the survival of the company and vice versa entrepreneur treat workers or laborers as a partner in accordance with human dignity.

Conflict management

Besides as individual beings, humans are social beings Soekamto (1996: 24). Where they are not a dichotomous unrelated, but it is a point that is connected from a linear line. Under certain circumstances that point will be shifted from the individual to the creatures domain to the domain of social beings, because of the dynamics of an increasingly dynamic environment. Each individual with all the advantages and limitations inherent in it has a number of needs (primary, secondary and tertiary) that must be met, and something to be achieved within the present and future to maintain its existence. To realize the needs and desired goals, not seldom require assistance or cooperation with other individuals, forming groups.

In the next several groups to form larger groups and is known by the term organization. Robbins (2004: 4) defines the organization as a whole (entity) which coordinated social conscious, with a relatively identifiable boundary, which works on the basis of relatively continuously to achieve a common goal or group of destinations. From this sense, the term social cohesion means that the unit is made up of people or groups of people who interact with one another.

Regardless of whether the organization is informal and formal organization, the interaction between members of the group could not be avoided. When inside an organization have an interaction between the individuals exist, then the conflict is a thing that can not be avoided. Exactly what was said Lewis A. Coser (1972 : 43), that the conflict both between groups and intra-group there is always a place people live together.

Conflict in Different Perspective

In essence, there are two main views in view of the conflict, namely the traditional view and interactionist. In the traditional view, the conflict is identified with violence, destruction and irrationality that would interfere with cooperation to achieve organizational goals. Thus, in the thought of this concept, conflict always implies a negative, ugly and destructive. The responsibility of management is to prevent the conflict down to its roots. Instead, the interactionist view, the conflict would encourage the effectiveness of the organization in the form of change and making better decisions. Without conflict, an organization will be static, apathetic and unresponsive. However, in order to be functional, the conflict must be controlled intelligently and professionally, so that the effectiveness of the organization will be optimal. In view of this, does not mean that all conflicts are functional because there is also a conflict that have negative effects on the effectiveness of the organization. In such case, the management should try to reduce the conflict.

Without forgetting the other factors causing the emergence of conflict, Robbins (2002) focuses on the sources of conflict that comes from the organizational structure. Among them, 1) the interdependence of work, 2) the dependence of work in one direction, 3) differentiation of horizontal high, 4) formalization low, 5) dependence on a shared source of rare, 6) differences in evaluation criteria and a system of rewards, 7) decision participative decision, 8) diversity of members, 9) mismatch status, 10) dissatisfaction roles, 11) the distortion of communication.

While Daft (1998: 487) outlining wider than Robins (2002) by outlining the factors causing the conflict is not just a problem of structure, but include: 1) environment, 2) organization size, 3)

technology, 4) goals and 5) structure. While Jones (2001 : 422) in the part of Pondy's models identify five sources of conflict include 1) interdependence, 2) differences in goals and priorities, 3) bureaucratic factors, 4) incompatible performance criteria and 5) competition for scarce resources.

Conflict relationship with Organizational Effectiveness

In certain circumstances the role of man as an individual being shifted into a social creature. Thus indirectly require a shift in the understanding of the conflict itself from the traditional view to interactionist. Due to the conflict will always exist where there is no interaction or coexistence. This led to the emergence of the view that the conflict could increase the effectiveness of the organization, to continue to control the conflict itself.

Managers must try to maintain the conflict at its optimal level and type of functional conflict. So that would be obtained internal characteristics of an organization that is passionate, self-critical and innovative, and ultimately the effectiveness of the organization will be achieved. While if the conflict is at a high level, the type of conflict has led to the dysfunctional nature of the internal organization and lead to a split, which resulted in low effectiveness of the organization, managers must revolution conflict so back at an optimal level. But if the level of conflict is low, and the internal nature of organizations that tend apathetic, not responsive and effective organization also lower then stimulate the conflict is the right solution for managers.

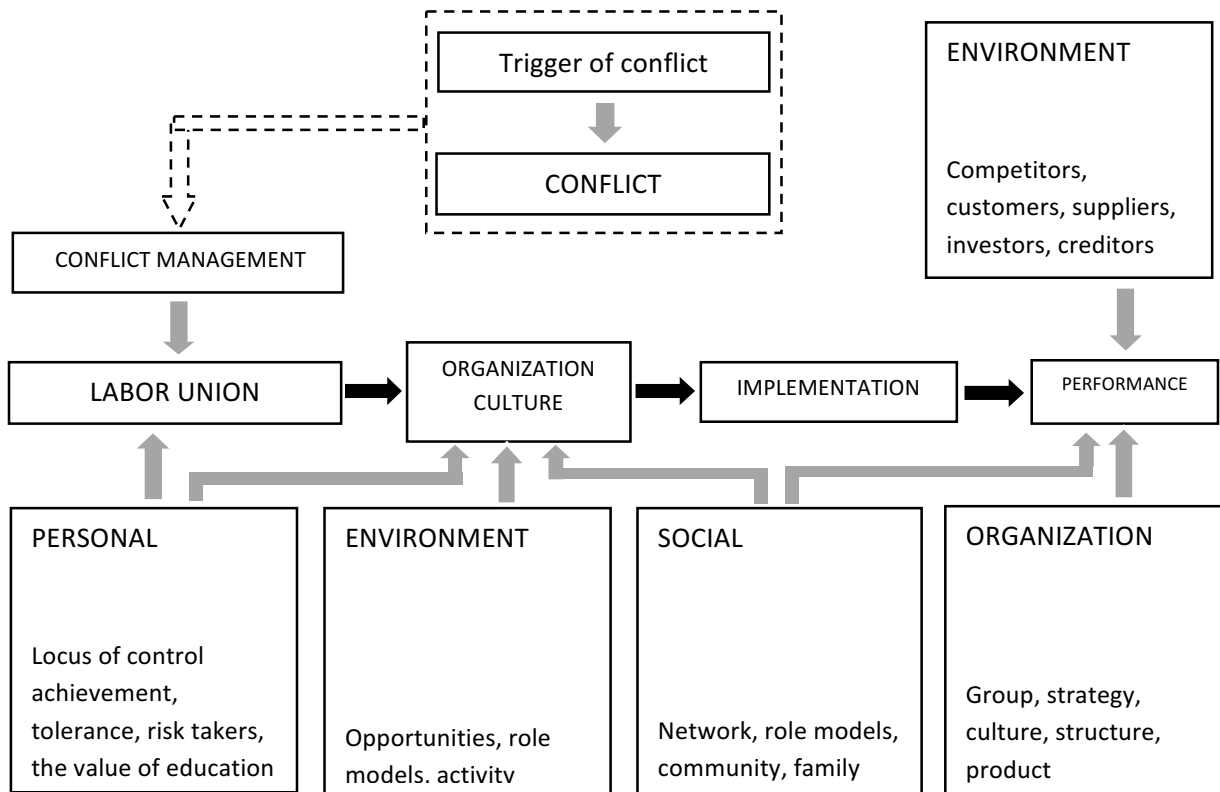
CONCEPTUAL FRAMEWORK

Frame of mind in this study based on the fact that the management of conflicts in industrial relations involvement of all stakeholders in the organization. Support regulations and policies are also strongly demanded that the conflict can be managed properly in order to achieve a favorable climate objectives so that employees can work optimally to the achievement of organizational goals. The parties involved are very diverse, ranging from the employees themselves, management, and government. Through organizations that remain under the parent organization to the companies, unions had a big influence.

Based on the phenomenon that occurs in an organization, it is necessary to do a study that aims to map the factors specifically related to conflict management in particular industrial worker organization's involvement in shaping the culture of the organization in conflict management. Today organizations of workers emerged as an organization that is the management judgment in this case the entrepreneur or company in determining policy. The role of workers organizations to be important in determining the direction of the company and as one of the staircases in achieving optimal performance of a company. Undeniably, labor organization as if it had fangs participate in determining the policies of the company.

A culture in an organization that emerged from the individual culture into a factor that can not be separated in this study. Organizational culture is formed by implanting habits or routines on all players in the organization. Similarly, the organizational culture and conflict management in a company. How to labor union organizations to take part in shaping the culture will be the focus of researchers in addition to conflict management. So it can be described in a framework in this study are as follows:

Figure 2. Conceptual Framework



Source: Developed for this study

Involvement of labor unions as a container other than the aspirations of employees in the framework of the submission of the opinion to the employers also play a role in shaping the culture of the organization is a reflection of the behavior of the organization or company. So the focus of this research is how the role of labor union organizations in the management of possible conflicts that arise in industrial relations between employees of Jasa Tirta I, the employer in this case the management company, the government and unions themselves.

As described in the previous chapter, Jasa Tirta I formed the labor union organization by setting up the Association of Employees of Jasa Tirta I (Ikajati) which is an organization (association) employees of Jasa Tirta I. Ikajati as one of the objects of research are expected to have a role in managing conflicts in the company by observing the behavior of actors in the organization which is a reflection of a culture of the organization.

Research methods

This study uses a qualitative research design with a case study approach where the analysis of this research is done inductively. Inductive data analysis was used for several reasons. First, the inductive process is to find the facts plural as contained in the data. Second, more inductive analysis can make a relationship researcher-respondent becomes explicit, it can be known, and accountable. Third, such an analysis can more fully outline the background and can make decisions about whether or not the transfer can at any other background. Fourth, more inductive analysis can find

along the sharpening effect relationship. Fifth, such an analysis can take into account the values explicitly as part of the analytic structure (Moleong, 2007).

In his Moleong (2007) explains, that qualitative research is research that aims to understand the phenomenon of what is experienced by research subjects holistically (whole) and by way of description in the form of words and language in a specific context in nature, as well as with utilizing various natural methods that one of them is useful for the purposes of researching terms of the process.

Based on these descriptions can be stated simply, that the method of this study tried to describe the object of study based on data and facts in Jasa Tirta I in Malang East Java Indonesia where researchers are part of the object of study, and analyze it through the concepts previously developed by the researchers as the instrument itself in solving the problem.

Research Design

The design of this study refers to the model cycle Kemmis and M. Taggart (1998) with the following four steps: 1) preparation, 2) the implementation phase, 3) the stage of monitoring (observation and monitoring), and 4) the stage of reflection. Then based on the analysis and reflection will be reformulated as a corrective action plan following that action research can achieve its original goals and objectives.

In qualitative research, the researcher is a tool (instrument) primary data collectors, since investigators are human and only human beings who can relate to the respondent or any other object, and able to understand the link realities on the ground. Therefore, researchers also participate in an observation or participant observation.

Analysis of data using content analysis. The data analysis performed in this study is the concept of data analysis developed by Miles and Huberman (1994) in K.D Norman (1997), which is an ongoing activity of the data collection, data reduction, display data, conclusion and verification, conclusion drawing.

Data were collected from in-depth interviews and observation and then the results are recorded and copied in the form of a transcript. In this study, researchers conducted observations and preliminary interviews to determine more closely the issues to be studied more deeply. It is to be taken into consideration and further data gathering further input. Researchers have an interim analysis of the observations or preliminary observation, then do the recording field and recopied by classifying according to the characteristics of interviews and observations based on the relevance of the objectives to be achieved from this research.

The data obtained in the field grouped according to the characteristics and their relevance to the purpose of this study. Researchers focus on things that are important to look for a theme grouping, making it easier for researchers in collecting further data. In addition to classifying the data, also analyzed in order to provide a clearer picture and focused on the goals of the research.

Researchers categorize based on interviews that according to, support of organizations like the policy or rules are clear, communication, working conditions, transparency and fair treatment and safety at work. Then the researchers conducted a reduction back to things that are deemed necessary are grouped based on the description of such conditions occur, pressure, interventions, looking for secure, afraid of the boss and others. It is easier for researchers to make a final conclusion on the condition that actually happened.

Data that has been reduced can be presented in narrative form, the relationship between categories, flowchart or the like, in the hope of easy to understand what is at issue completely and can direct future activities. The initial conclusion is based on observations and interviews preliminary temporary. This is useful for researchers step into the next stage of more in-depth. If in the process of further research no data was found to be changed or fixed it can be verified back.

RESULTS AND DISCUSSION

Public Company, Jasa Tirta I is a State-Owned Enterprises (BUMN), which was established on February 12, 1990 with PP 5 of 1990 which was changed several times, the last with PP 46 Year 2010 concerning Perum Jasa Tirta I. In the 1990s, at the beginning of the establishment, the status of employees of Perum Jasa Tirta I was civil servant (PNS) under the Ministry of Public Works. When the government canalization of workers or laborers through the All Indonesian Workers Union (SPSI) and for PNS through the Corps of Employees Affairs of the Republic of Indonesia (KORPRI). The purpose of the canalization to facilitate the government in control of the restrictions on the right of association and assembly on the two organizations that have the canalization so that ideology, doctrine and thinking that no government wants difficult to develop, it will perpetuate the hegemony and the doctrine of the ruler at the time. If divided into phases, labor unions Jasa Tirta I (Ikajati) experienced several phases in the course of his organization, which is as follows:

Geriliya Phase

In this phase, as part of state institutions, employees Jasa Tirta I when required or “forced” to join KORPRI, employee status result of new recruitment is no longer PNS but employees of companies who are appointed by the Decree of the Board of Directors with funding payroll purely from the company (not of the government budget). Extraordinary discrimination between employees with the status of civil servants and non-civil servants, not only at work but also after retirement is still discrimination social security for them. Reform in 1998 to tap into canalization dissolve the association and implemented by the government. Unions stood at almost all companies in Indonesia, including in the state including the Jasa Tirta I.

In 1998, thinking about the need to eliminate discrimination among employees Jasa Tirta I began to develop, but such thinking is localized only in chambers discussion secretly. The repressive nature of management at the time that a barrier declaration of Unions. Management began to detect the presence of a group of employees who intensely discuss the establishment of labor unions. Several prominent workers were summoned for clarification, management began to use power to act arbitrarily against the employee figures. Transfer, demotion, and inhibition of career is one form of intimidation (union busting) by management to the figures of the employees of the pro elimination of discrimination and the establishment of labor unions. At that time the idea of a single labor unions slowly disappearing, employees began to be afraid to discuss the establishment of labor unions, figures busy employees to save their respective careers.

Birth of Embryo Unions Phase

Officials began to retire, including officials who are known repressive in response to the establishment of labor unions in Jasa Tirta I, these circumstances serve as the starting point back in a big step to realize the ideals set up labor unions. Beginning in 2000 initiated to establish Ikajati. Space discussions held from house to house is not in the office. Some employees with PNS also participated in the founding of the union because empathize with discrimination. Grouping shifted,

in this phase of the conflict is no longer centered on the support and do not support of the union, but rather a group represented by young and old group.

Older group were more likely to maintain the system and the state of existing (conventional) while the younger group is more encouraging change. The confrontation of ideas between groups of young and old was never formalized in discussion rooms were adequate, but the only place outside the room formal discussion, therefore, is never done shootout ideas and find the best conception of conflict and confrontation of thought between batches young and old, the old group more blame the young group who lacks experience, emotional and did not know the details problems, otherwise young group assume the old group is not ready to change the potential for shifting the old group's comfort zone.

On January 2, 2002, a young group eventually declared the Association of Employees of Perum Jasa Tirta I (Ikajati) with Ir. Harry M. Sungguh, MT chairman. and legalized to be listed on the Department of Labor and Transmigration Malang on January 10, 2002 with registration number: 002/468 / IKAJATI / J.651 / I / 02. At its inception, the movement Ikajati tend to avoid conflict directly with the management (old group), so that the selection of the name "Association of Employees" when it included one way to avoid the negative stigma that is spread by the management, considering the union when it be a massive movement of the left, antagonist, an anarchist in every action and tend to prioritize the prosecution rights rather than the implementation of duty. Therefore, when it Ikajati explicitly and implicitly never called and an image of itself as a union, but rather position as employee organizations, including the memorandum of association and articles of association (AD/ART). But this organization which later became the embryo of unions in Perum Jasa Tirta I.

Organizational Growth Phase

In the decade of 2002 to 2005, Ikajati captured the hearts of most employees PJT I. Listed 60% of total employees enroll a member of Ikajati, while for KORPRI obtain a membership of around 35% of total employees, while 5% chose not to join the two, Issues PNS - non PNS become interested for Ikajati in getting members, the composition of the number of civil servants in PJT I become smaller and not getting made Ikajati easily get members. Old group (KORPRI) did not stay silent, aware of the composition of the civil servants who increasingly small and not likely to rise due to the government policy of all BUMN should be employees of the company (non-PNS) making this group must recruit non-PNS who became a member KORPRI. The decision to recruit PNS did out of habit KORPRI, during which only consisted of PNS, but to emulate Ikajati it should be done, eventually employees who tend to be prepared with the pressure and the group of employees who opportunistically chose to join KORPRI which incidentally contains the officials company's senior policy makers at the time.

In 2005 Ikajati held a succession for the first time. Member Meeting chose Ir. Moh. Taufiqurrachman, MT. as the Chairman replaces the previous Ir. Harry M. Sungguh, MT. chairman, leadership era Ir. Moh. Taufiqurrachman, MT. focusing on growth in the number of members to further improve the organization's bargaining power in front of the company,s management.

The more the composition of the membership of the two organizations increasingly unequal, the smaller the percentage of members KORPRI, lagging far behind Ikajati members, members of the growth program initiated by Ir. Moh. Taufiqurrachman, MT. is successful. In 2010 the percentage of members KORPRI only 4% of the total employees, but because the management (including Directors) are a group of older, KORPRI still get the right cost operational assistance with a value

equal to Ikajati and still become parties to the Collective Labour Agreement (PKB) , it is certainly far from the principles of justice and the normative provisions of the legislation, where the requirements to become a party to the negotiations *PKB* should have at least 10% of the total employees of the company.

In this phase, Ikajati still choose to avoid direct confrontation with the management, so that in this phase of the struggle Ikajati activity tends to be less visible. Various parsed and discuss employment issues is limited by the management board, the board can freely in and out of the working space of Directors to discuss a problem, so the board members assess the capacity to defend its own interests rather than to improve the welfare of employees at large.

Inactivity Organization Phase

In the period 2007 - 2010 is at a inactivity point of Ikajati, administrators have started serving structurally be one reason Ikajati be inactive. At this time the organization is run by a potluck, there is no clear work program and agenda of the organization that will be implemented. The addition of administrators in positions of responsibility inherent structural reasons inactivity of the organization.

The number of members reached 75% of total employees turned out to anesthetize organization. Succession were supposed to be held in 2008 passed and the new was held in 2010, so many outstanding issues that Ikajati successfully “bought” by the management company. The issue was denied necessarily the truth by the board. Inactivity occurs for two reasons, first because of the saturation of the organization and secondly because of the rush of management, so that agendas have been prepared only on paper never realized. Although in inactivity phase, the board managed to communicate a variety of proposals to change the logic of the *PKB* is agreed upon.

Affirmation as Unions Phase

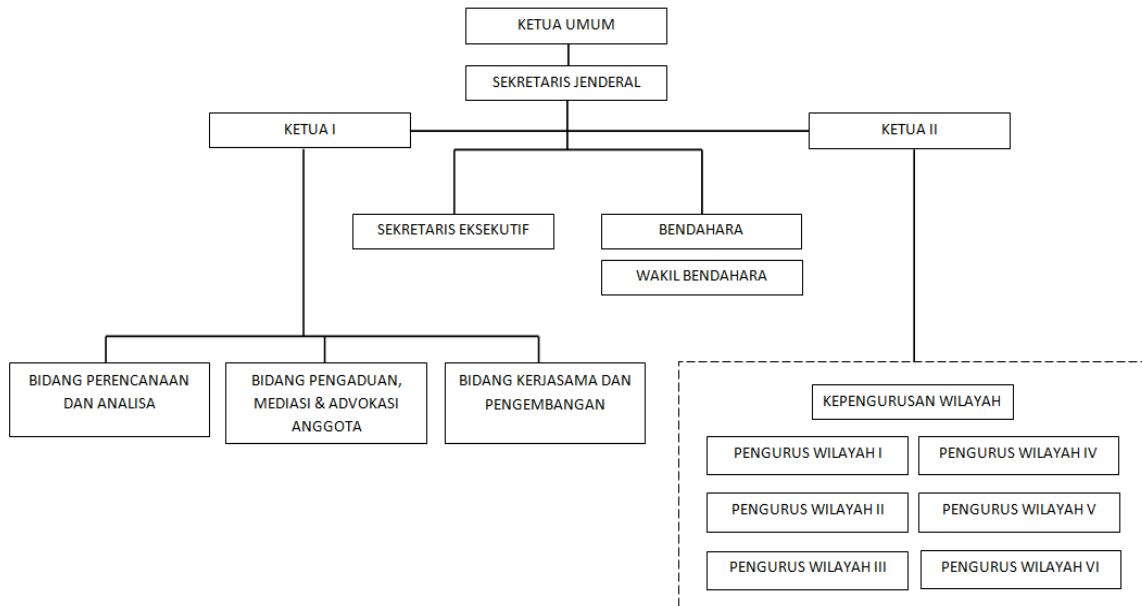
Year 2010 be a year of considerable historic Ikajati, after the implementation of the succession of the second since the establishment of appropriate Ikajati on May 1, 2010, elected Achmad Yunus, SH. MM. as Chairman of Ikajati. Election of Ikajati Chairman in 2010 was the first time held in a democratic, each member has one vote to choose their candidate.

In this phase Ikajati declared itself a Unions. At Member Meeting in 2010 was thrown discourse changed the name of the Association of Employees PJT I became Unions PJT I, the proposal raises the pros and cons, but senior figures Ikajati expressed the view that should the name Ikajati retained because it contains a long history, while for confirmation Ikajati position as the union can be listed after writing the name Ikajati. In this phase of the conflict in PJT I seemed to return in two groups of young and old. Chairman Ikajati elected representation of young leaders, aged 26 years old at that time with tenure at PJT I in 3 years. Activities change frontal organization, management more straight forward in delivering the aspirations and tend to open direct confrontation with management that is dominated by the old group.

Stewardship was a wave of criticism, some employees likens Ikajati such as Non Governmental Organization (*LSM*) who find fault and open confrontation with the management, as a result of energy absorbed to the confrontation, the work climate conduciveness disrupted, while labor productivity has not been demonstrated well. It is certainly counterproductive to the lofty ideals of the founding Ikajati as a partner company in achieving its goals.

In this phase a lot of new things achieved, especially in improving the welfare of members and their families listed in *PKB*, including eliminating the employee status of permanent employee and non-permanent employee, increased earnings significantly housed within *PKB*, improvement of health services (class upgrade hospitalization), eliminating discriminatory health services for permanent and non-permanent employee clerks, medical check-up families, engage all employees on mandatory social security program, severance calculations accretion factor of 2.5 times the THP and others.

Figure 3. Organizational Structure of Ikajati



Crisis Regeneration Phase

This phase is the final phase in the course of the organization up to this time. Stewardship previously dominated by young people makes the regeneration of unplanned and running optimally. Regeneration is not planned to have an impact on the sustainability of the organization, one sign of decline in the quality management of the organization is the predominance by the person or group, specific to the organization.

In Ikajati 4th Congress which took place in 2013 ago to produce stewardship “fresh”, caretaker of mostly new employees (average life of 2-3 years) and had no previous organizational experience led to regeneration efforts hampered. Awareness of new board for successful regeneration program complements threat to regeneration, in addition to regeneration program that is not clear arranged.

Analysis of Conflict in Perum Jasa Tirta I (PJT I)

State-Owned Enterprises (BUMN) have the same rights related to the rights of workers to organize. Likewise, the Public Corporation (Perum) Jasa Tirta I is a state duty, among others, exploitation and maintenance of water infrastructure in Indonesia. PJT I was established on February 12, 1990 based on Government Regulation No. 5 of 1990 on PJT I which subsequently amended several times, most recently by Government Regulation, PP No. 46 Year 2010 concerning PJT I is an entity quasi business owned by the Government in order to carry out some tasks of the Government in the field

of water resources management that includes operation and maintenance of water resources infrastructure, optimization of state assets that are part of the water resources infrastructure as well as the exploitation of water resources to support government programs in the field of water security, food security and the stability of the national economy.

The establishment of PJT I will be based on the needs of institutions managing water resources infrastructure that has been built by the government. Brantas project is the establishment of PJT I. Spirit possessed by Brantas Project is the spirit of building and dedicating themselves to the realization of large dams in the valley of Brantas. Brantas Project field technical implementation unit under the Ministry of Public Works, the activities carried out is to do the construction of several large dams, flood gates and some other water resources along the Brantas river. Sources of funds used for development is quite clear that the state budget and foreign loans, so the focus Brantas Project workers when it is carrying out the construction in accordance with planning with quality and good quality.

As the company grew with the approach of the bureaucracy, PJT I face the challenge of transformation, the transformation of the bureaucracy to the corporate culture. That is human PJT I must abandon the habit of Brantas Project is always secure their funding sources. As a company, PJT I required to make approaches corporative improve services for water resources management and production in the field of water resources for profit used to finance the company's operations including labor costs, operation and maintenance of water resources infrastructure and provide benefits to the state as the owner of capital in the form of dividends.

Such challenges can be faced without their necessarily productive synergy between management and the workers themselves. Conflict management is also the basis of success or failure in such synergies. Based on the analysis during the study period, the labor conflict in PJT I can be divided into two (2), namely: conflict due to disputes over rights and conflicts of interest that arise both between the worker with the company management.

Conflicts occur due to disputes over rights normally associated with the implementation of the agreements stipulated in the Collective Labour Agreement (PKB) as well as legislation and into employees basic rights but not implemented by the management. Conflict of interest is a conflict due to disputes arising from oral and written promises given by the management to the workers for a policy that benefits workers but not realized. In this conflict it is also possible the delivery of those promises in writing through the Plan Activities and Company Budget (RKAP). Besides conflicts of interest could potentially arise if the company's operation found inequities in the provision of reward and punishment which tends to favor a particular position group, causing jealousy for another position group. The triggering factors of conflict, including:

1. The Board of Directors policies that conflict with PKB or legislation.
2. The implementation of reward and punishment is not fair.
3. Gaps welfare.
4. The application of employment provisions inconsistent (payroll, career and rank, etc.).
5. The pattern of leadership and the lack of proper communication.
6. The parties have a different understanding of the suatau problems, etc.

Conflict Management in Perum Jasa Tirta I

Conflicts in Perum Jasa Tirta I, both disputes over rights and interests can be prevented or managed by:

1. Commitment and Consistency

Conduciveness keep working climate in the middle of the conflict is not easy but the problems can be pursued. Management should really have a deep commitment to abide by the terms of agreements and legislation to be consistent, so that it fosters trust of the workers and relatively conflict can be prevented.

2. Work Experience and Career Opportunities

Conflict can be managed with the support of the workers to achieve the objectives in accordance with the experience and the stages of his life. For example; junior employees who excel can be promoted to participate in education to a higher level, while for senior employees who excel can be promoted to higher positions, it should be stipulated in the provisions of guided career path together consistently.

3. Communication

A good communication will create a therapeutic environment and conducive. An effort that can be done to avoid conflict is to implement effective communication in daily activity that could eventually be used as a way of life. Good communication should not be intensive, but at least regularly-scheduled and effective means of communication should go both ways, not a direction that tends to like speech and commands that must be implemented, in addition to the effective communication produce optimal outcomes for communicator.

4. Listen actively

Active listening is an important thing to manage conflict, this stage should be separated from the communication phase. To ensure that the acceptance of Directors has had a true understanding, they can reformulate the problems of the employees as a sign that they have been listened to. Where the approach in conflict resolution depends on:

- The conflict itself
- The characteristics of the people involved in it
- Expertise individuals involved in conflict resolution
- The importance of the issues that cause conflict
- Availability of time and energy

Methods of Conflict Resolution

The method is often used Directors in dealing with conflicts was the first to reduce conflicts and the second to resolve the conflict. For the method of reduction of conflict one way that is often effective is to cool down the problem first. For example in disputes over rights associated with payment of Coupon Achievement Quarter (IPT), when the work atmosphere begins to heat up as a

result of actual payment of rewards achievement is not implemented then the Board of Directors to immediately transfer the rewards these achievements, it is done only to cushion employees, but delays always occurred in the payment period. In this way is actually not touched the real issue, but tend to cool the atmosphere. Another way is to create a “common enemy”, so that the members in the group are united to face the “enemy”. How this kind are basically only distract the group members who are experiencing conflict. The second way to conflict resolution methods. How to be taken are as follows:

1. Dominance (emphasis mine)

Methods of dominance usually has two main kinds of equations, namely:

- a. They suppress the conflict, and even solve them by imposing the conflict disappears “underground”.
- b. They pose a win-lose situation, in which the loser forced to back down because of the higher authorities, or the greater power, and they usually become dissatisfied, and hostility arise.

Actions dominance in PJT I going with all kinds of ways as follows:

a. Forcing (Forcing)

If the ruling essentially states “I do not talk much, I have authority here, and you have to carry out my orders,” then all the arguments can not be accepted. Suppression autocratic so indeed may lead to expressions of conflict that does not directly, but destructive, such as compliance with hostility. These symptoms are one among many forms of conflict, which can be spread, if suppression conflict continues applied.

b. Coax (Smoothing)

In the case of coax, which is a way to suppress conflict with a more diplomatic way, the Board of Directors tried to reduce the size and importance of the existing disagreements, and he tried to unilaterally persuade others, to retrace his desire. If the Board of Directors has an even more information than the other party, and the suggestion is quite plausible, then the method can be effective. But suppose there is a feeling that the Board of Directors benefit a particular party, or do not understand the problems that occur, then the other party will lose against.

c. Avoidence

If the groups are at loggerheads on the Board of Directors came to ask for his decision, but it turns out the Board of Directors refuses to intervene in the matter, then each party will have an unsatisfied feeling. It should be recognized that the attitude of pretending that there is no conflict, is a form of avoid action. Another form is the rejection (refusal) to deal with conflict, by way of stalling for time, and repeatedly suspend action, “to find more information”.

d. Majority Rule

Efforts to resolve the conflict groups through voting, where the most votes wins (majority vote) can be an effective way, if the members deem such procedures as the procedures are “fair” However, when one block voting continually achieving victory, the losing party will feel themselves weak and they will experience the frustration.

2. Completion of an integrative way

With integrative resolve conflicts, conflicts between groups is converted into a mutual problem-solving situations that can be solved with the help of the techniques of problem solving. The parties are at odds together to try to solve the problem, and not just try to suppress conflict or compromise. Although this is the best way for the organization, in practice it is often difficult to achieve satisfactorily because of lack of willingness of true and honest to solve problems that create problems. Three types of integrative methods of conflict resolution is the method (a) consensus; (b) confrontation; and (c) use of superordinate goals (Winardi, 1994).

3. Competition

Settlement of the conflict that defined the beat or the expense of others. Completion of the form of competition known as win-lose orientation. Win-lose orientation consists of five orientation as follows:

a. Win-Lose

This paradigm says if “I win, you lose”. In this style a person tends to use force, positions, credentials, possessions, or personality to get what they want at the expense of others. With this paradigm means a person would feel if he could win and others lose. He will feel threatened and envious if someone else wins because he thinks if someone else wins definitely defeat himself. If he actually won was overcome with guilt because he considers his win definitely the expense of others. The losing party will keep a sense of disappointment, hurt, and felt ignored. Win-lose attitude can appear in the form:

- Using someone else, either emotionally or physically, for the sake of self.
- Try to be on top of others
- vilify others to themselves look good
- Always try to impose their will without regard for the feelings of others
- Envy and jealousy when others succeed

b. Lose-Win

In this style a person does not have demands, vision and hope. He tends to be quick fun or meet the demands of others. They are looking for the strength of the popularity or acceptance. Because of this paradigm is more concerned with popularity and acceptance that winning is not the main one. As a result, a lot of pent-up feelings and unspoken, which will cause psychosomatic illness such as shortness of breath, nervous, circulatory system disorder that is a manifestation of deep disappointment and anger.

c. Lose-Lose (Lose-Lose)

It usually occurs when people who meet together have a Win-Lose paradigm. Because they can not negotiate a healthy manner, then they principled if no one wins, the better everything is lost. They centered on the enemy, there is only a feeling of revenge without knowing if others lose and he lost tantamount to suicide.

d. Win

People winning mentality should not want anyone else to lose. The important thing is that they get what they want. People become selfish and winning mentality will achieve their own goals. If this becomes a pattern of his life he will not get along with others, feeling lonely, and hard teamwork.

e. Win-Win

Win-Win is a frame of mind and heart that constantly seek mutual benefit in all interactions. Win-win means make all the parties feel happy and satisfied with the resolution or decision taken. This paradigm views life as an arena for cooperation instead of competition. This paradigm will lead to satisfaction on both sides and will increase creative cooperation.

4. Compromise

Try to resolve the conflict through compromise to find a base in the middle of the two sides of the conflict. This method is far more likely to emergence of latent hostility of the two sides of the conflict, because nobody feels to win or lose. Nonetheless, in light of solving organizational

considerations this is not the best way, because it does not create the best solution for the organization anyway, just to please both sides contradictory or conflicting.

Which includes the compromise are:

a. Accommodation

Conflict resolution described the competition mirror images are on the whole settlement on the other side without any attempt to fight for his own ends. The peace process is a tactic.

b. Sharing

One approach is a compromise settlement between domination and peace groups. One side gives and the other receives something. Both the moderate-minded groups, is not complete, but satisfying.

5. Conflict between employees with leadership

This type of conflict is relatively difficult because it is often not expressed openly. Generally, the employees are more likely to remain silent, despite opposition by party bosses. What is important for an organization is that every conflict should be resolved. Most conflict becomes more acute because of long buried. Because that is important for an organization to “find” the source of conflict or as early as possible. The way in which communication channel is to promote upward.

Management measures to deal with conflict:

a. Receiving and defining the principal problems that cause dissatisfaction. This step is very important because a mistake in knowing the real problem will cause errors also in formulating a solution.

b. Collecting information

Facts collected must be complete and accurate, but also to avoid mingling with the opinions or views. Opinions or views it had entered into a subjective element. Therefore the fact gathering should be done with caution.

c. Analyze and decide

By knowing the problems and the accumulation of data, management should begin to evaluate the situation. Often the results of the analysis can get a variety of alternative solutions.

d. Answer

Although management then already decided, this decision should have advised the members of the organization.

e. Follow-up

This step is necessary to monitor the result of the decision that has been done.

f. Disciplinary

Conflict within the organization, if not treated properly can lead to acts of harassment against the rules that have been agreed. Therefore, harassment or violations of the rules of the organization should be subject to disciplinary action that these regulations have authority.

Disciplinary action can be divided into two, namely the discipline that is positive and negative. Positive is to give advice for good in the future, whereas negative ways ranging from mild to severe, among others, by:

- given a warning by oral (direct)
- given a written warning
- eliminated / reduced some of his rights
- fined
- laid off temporarily (lay-off)
- demoted

- dismissed with respect
- dishonorably discharged

Unions in Building Organizational Culture

The union is an organization founded by and for employees, have interests to voice various issues, especially related to the fulfillment of the rights and welfare of employees. In the conflict in PJT I, the union can be a conductor of the conflict as well as a forum to parse conflict. Conflict described by Unions is a conflict with a fairly high complexity and tend to not get the solution from the Bureau of Human Resources Development that should be addressed and outlined in the union.

The union is one of the part that influence the formation of organizational culture with a variety of variables such as the employee's personal conditions, environmental factors, and organizational sociology. In a conflict, unions need to take proportional roles. In case of delay in payment of employees' rights, for example, the problem will not be given priority if the settlement has not been discussed, and the attention of the union. When unions have expressed an opinion on the matter, then the management must pay attention to and prioritize resolution. A gesture unions typically by sending a letter to the Board of Directors of the issues involved and urged the Board of Directors to immediately realize the things that become vested course by taking into account the circumstances and capabilities. This means that unions also serves as the organ that filters out any conflict should receive attention and priority handling by management and conflict anywhere that is not too strategic to be appointed.

The company actually formed Cooperation Institution (LKS) "Bipartit" is an institution with the composition of the company representatives and labor union representatives. LKS is expected to be a forum to break down various employment issues to find common ground agreement in the differences that may occur between companies and unions.

Unions became the only employee vehicles in protecting the rights of employees. Not dedicate themselves as opposed to employers, unions but rather to support the achievement of the company's performance. Likewise with the labor union organization in PJT I. Just as in a forced action taken by the Association of Employees PJT I (Ikajati) which is the union in PJT I, on December 11, 2014 are widely reported by the mass media. Beginning with the commitment of the rights already contained in the Collective Labour Agreement (PKB) and became the basic rights of employees, but its realization is not appropriate. In addition, many normative entitlements that are not programmed time and the gap which is considered very much the well-being of employees with directors where this has already been promised by the directors as well as top management. Ikajati already covered procedures should, where already often do mediation or negotiations, but has not yet realized what the demands and rights of employees by management. Until the final negotiations Ikajati parties that essentially will do action if within a period of 3 (three) days of the demands and rights of employees has not yet been realized. Here's an excerpt from www.news.detik.com, "Hundreds of workers PJT I chose to strike on Thursday (11/12/2014). They rallied in his office Jalan Surabaya, Malang, demanding welfare. Employees who are members of labor unions have denounced the gap between directors and subordinates. Drizzle flushed area of Malang since morning did not dampen the employee held the action. Chairman of Labor Unions PJT I Achmad Yunus say, for four years the right of employees not comparable with work responsibilities ". From the above description clearly visible as well as the role of labor union organizations in determining

the policy direction of the company. In addition, through programs, activities and actions of labor unions will undoubtedly pioneered the establishment of a positive organizational culture.

CONCLUSIONS AND RECOMMENDATIONS

Based on the research that has been done can be summarized as follows:

1. The role of labor union organizations to be very important in determining management policies. The union becomes a container in delivering the aspirations of employees that are part contribution to the company's employees.
2. The organization of labor unions to manage conflict well is expected to be part of the motor of the company's progress. Proven in some respects in accordance with the results of the research, the union was able to resolve conflicts without weakening partly conflicting parties.
3. In running the organization, cultivate union members to work together and form solidarity among its members. Behaviors and habits that is expected to shape the culture of the organization mature and become a strong foundation for the progress of the company.
4. Not all employees can adjust themselves to the development of the organization, every learning organization is constantly facing various problems, especially is a rejection of change. The rejection of change is not always show up in the standard form (explicit) and immediately filed a protest, for example, threatened strikes, demonstrations and the like but also a rejection of explicit and gradually decreases as loyalty to the organization, reduced motivation, **reduced** and others. Culture or habits have implications for speed and accuracy in the completion of the work. A healthy organizational culture affect the increased effectiveness.

The study was conducted with qualitative methods and using primary data obtained through interviews. Limitations in the study include subjectivity is on the researcher. This research is very dependent on the interpretation of the researcher on the implied meaning in the interview so the tendency to **bias** still exists. To reduce bias then do a process of triangulation, the triangulation of sources and methods. Triangulation is done by cross-checking the data with facts from different informants and from other research. While triangulation method is done by using several methods in data collection, namely in-depth interviews and observation.

Union organization should always try to learn how to manage social conflict through behavior modification. Based on existing theory, that the ethical and humanist approach requires changes that are key to the transformation in the behavior of the group. Through theory, group dynamics, the study, which are all mutually inclusive process and if managed properly, collectively could bring effective change.

Ikajati must be an organization that always learn if you want to survive as an organization forward. How then Ikajati successfully manage change? The first should prepare by creating a team that psychologically and physically will be involved in creating meaningful and productive change. Secondly, it is necessary to apply the design to the ideology that change is underway, so Ikajati must convert to a more open design. Officers and members are able to provide the pilot involved in the process transparent and participatory schemes that simultaneously collect feedback. Group or union organizations must remain flexible and expect readjustment necessary to achieve sustainable solutions and discuss common interests of both parties collectively. To achieve the proposed

changes, the use of a neutral third party (facilitator and / or mediator) professionals will be required to manage change for the sake of progress.

This research still has a scope that is not too wide, so the need for additional criteria for observation in subsequent studies. Researchers simply linking the role of labor union organizations to conflict management and organizational culture. Future research on the structure of the union should focus on the effects of competing theories such as: leadership bounded rationality, ambiguity causal agency theory, the effects of this type of behavior / characteristics, factors of emotional intelligence, conflict theory, and the effects of leadership styles. Subsequent research could also investigate how all the concepts are different and theories that affect the combined effect of synergy in a way that fosters constructive conflict and destructive conflict events minimized.

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LABOR UNION AND THE COMPANY PERFORMANCE: INDUSTRIAL CONFLICT

Dewi Ratih, Achmad Yunus
December, 17th. Malaysia



INTRODUCTION

- The current global economic growth forced the company to remain standing in the midst of increasingly fierce competition.
- The economic theory of competition in general start from the perspective that the market competition is the main instrument, achievement both in terms of business efficiency, productive efficiency, or dynamic efficiency.
- Organizational necessity in the face of global competition must be addressed properly because it will impact the corporate culture that led to the organization's performance.



INTRODUCTION

- Expressed in various studies, existing data from companies fail to maintain their business more due to cultural conflicts.
- The average company pays little attention to cultural factors such as the core values of the organization.
- The culture in the organization is defined as a way of life in the organization, such as climate or atmosphere of emotional and psychological, which include employee morale, attitude and productivity levels, as well as symbols.



INTRODUCTION

- Industrialization process impacts on how much manpower requirements, with the increased use of labor, the more causes problems and friction that eventually cause unrest within an organization.
- In the social interaction and interrelation between individuals or between groups unavoidable conflict.
- Conflict is a natural phenomenon, in which the consequences that arise can be positive or negative and can be a serious problem regardless of the form and level of complexity of the organization.



INTRODUCTION

- Many conflicts arise that lead to destructive conditions concerning industrial relations, including conflict between the workers as a key element of the production and the entrepreneur as the owner of capital.
- Freedom of association as a fundamental right can not be separated from reality approach to social and political life with its different aspects like economic, educational, religious and so on.
- Cultural association and establish a good communication system is what will expected to make the organization more effective in achieving its objectives.



INTRODUCTION

- Indonesia in particular poured freedom of association in the Amendment of UUD 1945, which states that everyone has the right to freedom of association, assembly, opinion and expression.
- Organization or company in this case is not limited to specific companies, either privately owned by the government all have the right of association in accordance the applicable legislation so as with Jasa Tirta I were in this study the object being studied.
- The dynamics of communication that occurs as a result of the execution of rights and obligations in industrial relations in Jasa Tirta I also can not be avoided. Various ways taken by the workers and employers in minimizing the potential for conflict as a result of the application of industrial relations.



INTRODUCTION

- Jasa Tirta I founded the Association of Employees (Ikajati) which is an organization employees of Jasa Tirta I.
- Labor Unions is an organization of representation of workers, representing, acting and on behalf of the workers in terms of negotiating the implementation of rights obligations between workers and employers.
- The results of these observations will be tied to how the company's performance by focus on the role of the union in addressing the industrial conflict that occurred.
- The author hopes that this research could give a clear answer and thorough will be problems that arise related to the conflict, labor, management, organizational culture and corporate performance.



FOCUS OF RESEARCH

- Conflict management plays an important role in achieving an organization's effectiveness. In various studies that have been carried out, the fit between cultures grown in each individual with a growing culture within an organization (person-culture fit) with positive implications, where employee turnover rates can be minimized.
- The struggle of workers in Indonesia during wants workers to have bargaining power between the employers and the Government in the conduct of industrial relations (three partiet), so cooperation three partiet organized into a solution equitable application of industrial relations in Indonesia.
- The main objective of this study is a qualitative research is to understand the phenomenon or a social phenomenon in Jasa Tirta I with more emphasis on a complete picture of the proportion Ikajati as a labor union organization, assessed as variables that affect the conflict within the company itself.



INDUSTRY POWER AND LABOR ISSUE

- Industry or company is a combination of capital, management and workers. They are a separate entity and has a different motivation. Investors are investing their primary concern is to get the maximum benefit. Management always be there to protect the interests of investors. In the process, workers have always been victims of their exploitation.
- Workers have the power to eliminate problems such as low wages, poor conditions of health, safety and so on. But individual workers are not able to fight on their rights against great combination between investors and management where they have the power, money and influence.

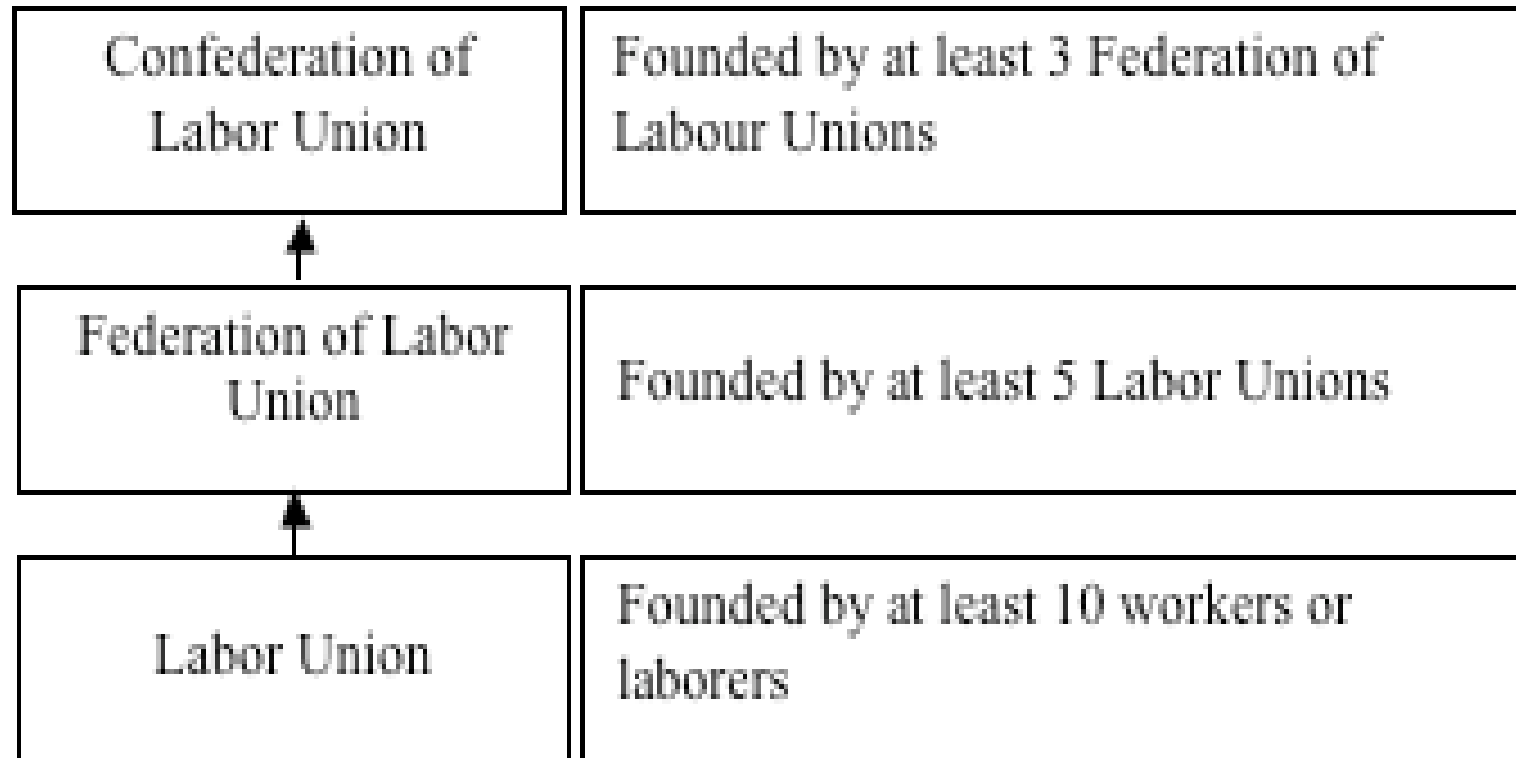


ORGANIZATION OF LABOR UNIONS

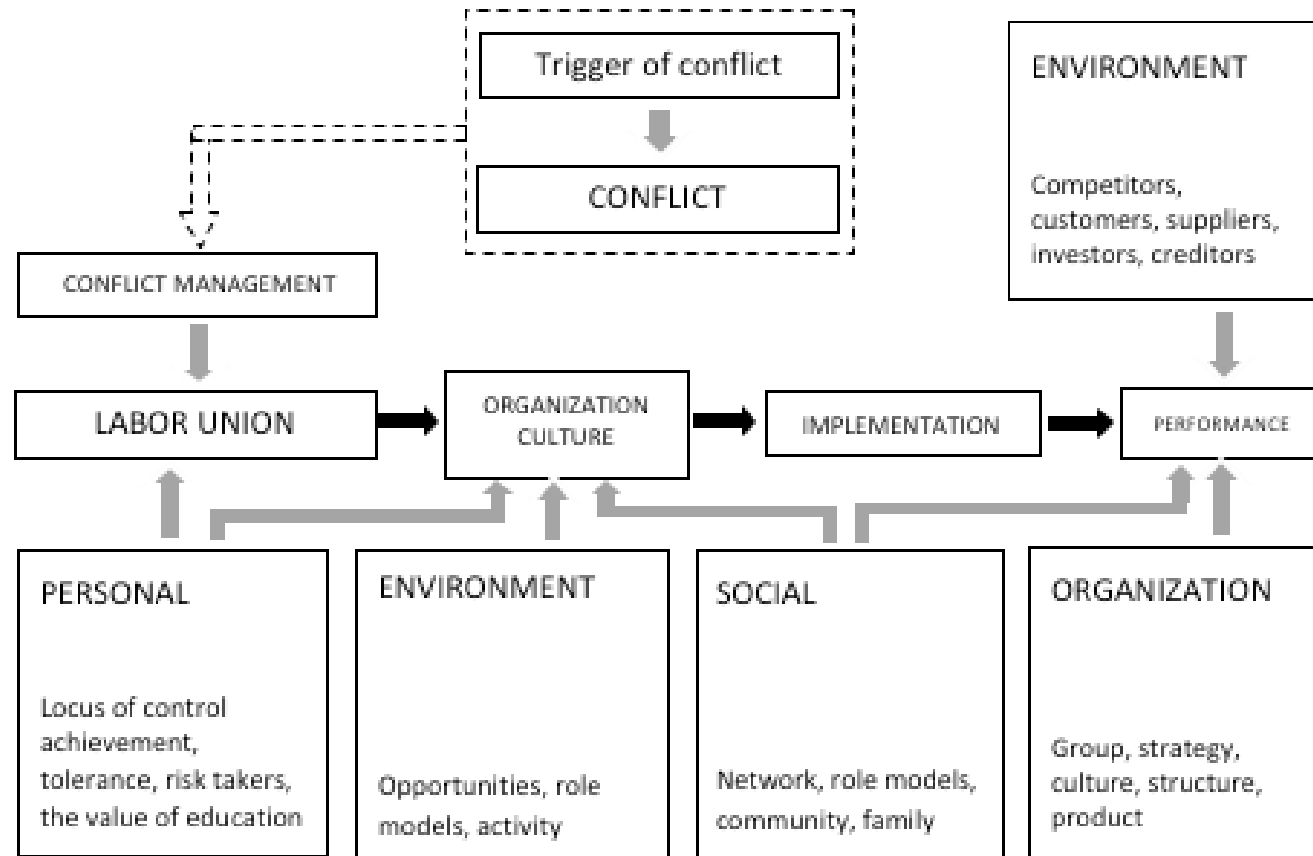
- Indonesia is legally had ratified ILO Convention No. 87/1948 which could be a reference to the legal basis for protection of the right to organize and the right of association. In the era of Abdurahman Wahid President, issued UU No. 21 of 2000 concerning labor unions that provide space and protection on every workers to establish and join a labor union.
- In the space of freedom of association and assembly is guaranteed by the Constitution of the Republic of Indonesia. Article 28 UUD 1945 stated: “Freedom of association and assembly, issued thoughts with oral and written, and so on are set by UU”.
- The constitution that are then complete the formal reference promulgation of UU No. 21 of 2000 on labour unions. Subsequent developments in the politics of employment law, workers or labor union is given a considerable role although it still remains to be improved.



THE HIERARCHY OF INSTITUTIONAL LABOR ORGANIZATION



CONCEPTUAL FRAMEWORK



RESULTS AND DISCUSSIONS

Labor unions Jasa Tirta I (Ikajati) experienced several phases in the course of his organization, which is as follows:

- *Geriliya* Phase
- Birth of Embryo Unions Phase
- Organizational Growth Phase
- Inactivity Organization Phase
- Affirmation as Unions Phase
- Crisis Regeneration Phase



ANALYSIS OF CONFLICT IN PERUM JASA TIRTA I

- Conflict management is also the basis of success or failure in such synergies. Based on the analysis during the study period, the labor conflict in PJT I can be divided into two (2), namely: conflict due to disputes over rights and conflicts of interest that arise both between the worker with the company management.
- Conflicts occur due to disputes over rights normally associated with the implementation of the agreements stipulated in the Collective Labour Agreement (PKB) as well as legislation and into employees basic rights but not implemented by the management.
- Conflict of interest is a conflict due to disputes arising from oral and written promises given by the management to the workers for a policy that benefits workers but not realized.



METHODS OF CONFLICT RESOLUTION

- Dominance (emphasis mine)

Forcing (Forcing), Coax (Smoothing), Avoidance, Majority Rule

- Completion of an integrative way

Conflicts between groups is converted into a mutual problem-solving situations that can be solved with the help of the techniques of problem solving.

- Competition

Completion of the form of competition known as win-lose orientation. Win-lose orientation consists of five orientation as win-lose, lose-win, lose-lose, win, win-win

- Compromise

Try to resolve the conflict through compromise to find a base in the middle of the two sides of the conflict. This method is far more likely to emergence of latent hostility of the two sides of the conflict, because nobody feels to win or lose.

- Conflict between employees with leadership

Management measures to deal with conflict: Receiving and defining the principal problems that cause dissatisfaction, Collecting information, Analyze and decide, Answer, Follow-up, Disciplinary



LABOR UNIONS, ORGANIZATIONAL CULTURE, PERFORMANCE

- The union is an organization founded by and for employees, have interests to voice various issues, especially related to the fulfilment of the rights and welfare of employees. In the conflict in PJT I, the union can be a conductor of the conflict as well as a forum to parse conflict.
- The union is one of the part that influence the formation of organizational culture with a variety of variables such as the employee's personal conditions, environmental factors, and organizational sociology. In a conflict, unions need to take proportional roles.
- Unions became the only employee vehicles in protecting the rights of employees. Not dedicate themselves as opposed to employers, unions but rather to support the achievement of the company's performance.



CONCLUSIONS

- The role of labor union organizations to be very important in determining management policies. The union becomes a container in delivering the aspirations of employees that are part contribution to the company's employees.
- The organization of labor unions to manage conflict well is expected to be part of the motor of the company's progress. Proven in some respects in accordance with the results of the research, the union was able to resolve conflicts without weakening partly conflicting parties.
- In running the organization, cultivate union members to work together and form solidarity among its members. Behaviors and habits that is expected to shape the culture of the organization mature and become a strong foundation for the progress of the company.



RECOMMENDATIONS

- Union organization should always try to learn how to manage social conflict through behavior modification. Based on existing theory, that the ethical and humanist approach requires changes that are key to the transformation in the behavior of the group.
- This research still has a scope that is not too wide, so the need for additional criteria for observation in subsequent studies. Researchers simply linking the role of labor union organizations to conflict management and organizational culture.
- Future research on the structure of the union should focus on the effects of competing theories such as: leadership bounded rationality, ambiguity causal agency theory, the effects of this type of behavior, characteristics, factors of emotional intelligence, conflict theory, and the effects of leadership styles.
- Subsequent research could also investigate how all the concepts are different and theories that affect the combined effect of synergy in a way that fosters constructive conflict and destructive conflict events minimized.



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