

How to Cite:

Supiyah, R., Komariah, K., Hubur, A., Chauhan, R., & Artha, R. (2021). The prevailing wage system toward the potential of trade unions in local situations. *Linguistics and Culture Review*, 5(S1), 404-412. <https://doi.org/10.37028/lingcure.v5nS1.1406>

The Prevailing Wage System toward the Potential of Trade Unions in Local Situations

Ratna Supiyah

Department of Sociology, Universitas Halu Oleo Kendari, Indonesia

Kokom Komariah

Universitas Padjadjaran, Bandung, Indonesia

Aa Hubur

Trisakti University, Jakarta, Indonesia

Rahul Chauhan

Parul Institute of Business Administration, Parul University, Vadodara, India.

Ruly Artha

Universitas Lampung, Lampung, Indonesia

Abstract--Impatience with the prevailing wage system - due to its components that place too much emphasis on non-monetary rewards and too much emphasis on age and seniority - is evident among young workers. The Directors strongly felt that the growing pool of trained workers in the city did not fit into the current system of relations in the factory. These feelings are expressed both in training programs intended to instill traditional values and in prevailing recruitment procedures. There are no examples of other types of tension and anxiety-caused by lagging the current factory system from (to) the changes taking place. In society at large - rather than the role of women in Japanese companies. Perhaps more than any other interaction. The relationship between men and women in Japan is very different from what has developed in the West. Perhaps more than any other type of relationship, the changes caused and accelerated by the events of the last years have influenced the roles, attitudes and behavior of Japanese women. The resulting tensions were evident in factories and in the offices of large Japanese companies. It is difficult to observe any adjustment in policies or adjustments in the attitudes of companies to the broad changes in women's social standing.

Keywords--factory, government, local situation, trade union, wage.

Introduction

It is a strong and deeply held belief among men in all parts of the company - especially in the staffing division - that women workers will continue to work and only until they get married, and that marriage should take place at the age of not more than 30 years. Mr. Watanabe in his small company is in a position to actively guarantee his employees' marriages, whether by helping out with the arrangements or arranging his own marriages. In large companies there are heavy pressures on women workers to leave the company after they have worked for the company for about 10 years, and this pressure is exacerbated by the fact that almost without exception women workers will have no chance of improving their status work within the company (Quesada et al., 2013). Problems regarding work status are not only a matter of doing work at the lowest level of proficiency and responsibility, but also reinforcing - albeit less formally - the differences in status such as preparing and serving tea drinks to male guests in the office, carrying out orders / orders at the request of fellow workers, and the implementation of other routine tasks or even menial tasks / jobs (Petersen, 2000).

The only exception to the general rules governing the employment and job roles of women in enterprises is in factories which employ a large number of women. They are sometimes group leaders in workplaces that only employ women, sometimes as foremen. No example of a woman holding an official and responsible position is found in the rank of shokuin. It is possible that in Japanese history in the past few years, the placement of a woman in routine and menial tasks was accepted by them as inevitable and natural (Belman & Voos, 1995). Some female workers seem to be able to accept this role without difficulty. It is clearly incorrect to claim that all women accept their current employment status passively and happily (Bernstein, 1997). Increasing numbers of women graduating from colleges and universities were made possible in the postwar period. The number of women pursuing careers in business, laboratories, and other professional occupations has greatly increased (Duncan et al., 2012). In one company, where the issue of the role of women has been looked at rather closely (a firm very Western-style in its general approach to employment issues), a number of female college graduates have been employed since the war. They seem - at least to outsiders - to be blatantly unhappy and even badly positioned in the company. The company's response to this situation is to completely reduce the acceptance of female college graduates and limit the recruitment of female workers to high school and secondary school graduates (Greenberg et al., 2005). The situation has clear parallels with the situation in the West in the first decades of the 20th century.

The underemployment of people

A possible difference is the stern and unanimous rejection by those in this company of any suggestion that women might be useful and profitable if employed by the company in responsible positions. To support the company's position, references have been made to the underemployment of Japanese people and the instability that women perceive as workers (Duncan & Waddoups, 2020). The observation of the role of women in large Japanese companies shows that there are various problems within the company which are caused by social change and changes in workers' attitudes and the responses that companies

usually give to these problems. There is a strong conservatism in this problem, and a characteristic response to such problems is to deny or to avoid (Jayady et al., 2021; Fanani et al., 2021). But the pattern of interpersonal relations suitable for the factory as it prevails today - intimacy between workers and supervisors, dependence of workers on enterprises, and immobility of workers - can all be tensions as a result of changes in the backgrounds and thoughts of workers young educated in the city (Quesada et al., 2013). Tensions are likely to increase. Against this backdrop of apparent tensions in the arrangement of relations between companies and workers, it is possible to more effectively discuss issues of trade union and union membership. Figure 1 shows where trade union membership weakened the most.

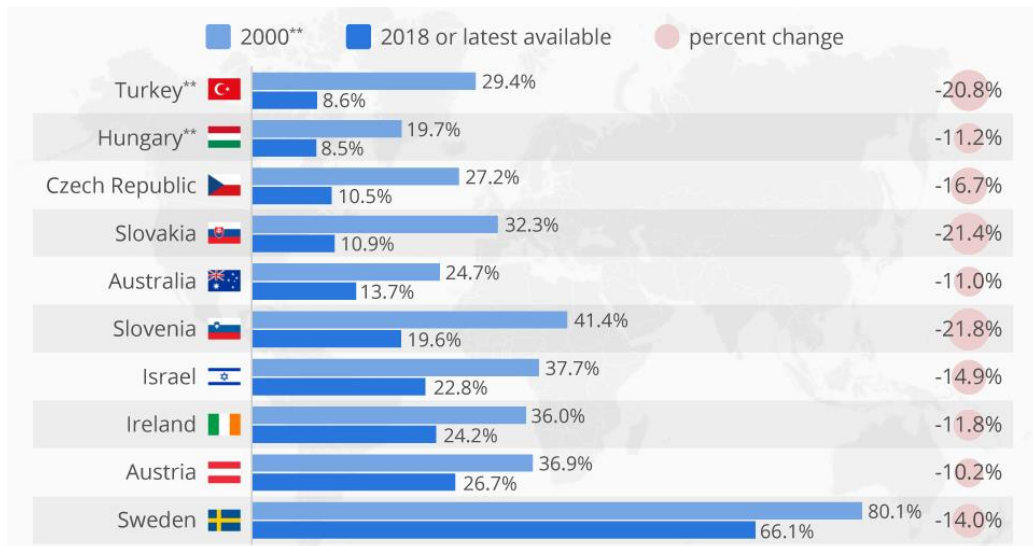


Figure 1. Where trade union membership weakened the most

Without underestimating the potential importance of trade unions in Japanese factory relations or the importance of trade unions in the minds of today's workers as part of a good and necessary work environment, the absence of union influence and a lack of discussion of union relations when conducting interviews and the observation of the factory situation is a striking and disturbing fact (Radziwon et al., 2014; Baker, 1998). Of course, the Japanese trade unions were almost all a product of the aftermath, because they were formed now. They grew rapidly in the first days of the occupation, and in every large factory a trade union was organized, had a trade union shop system and had a contract with a trade union (Petersen, 2000). Observe the Japanese political arena will be accidentally exposed to the enormous and impressive size of the trade unions, a force which is likely to grow. However, if one observes not the headquarters in Tokyo as a political platform, or the history and statistics regarding the trade union movement in Japan, but the actual workplaces, then trade unions are unlikely to be an important factor in day-to-day labor relations (Lee & Baek, 2020). The day the workers interact with company officials, or in their activities in residential or community areas outside the factory (Duncan & Waddoups, 2020). The position of trade unions in Japanese factories is of course striking in comparison to the

role played by trade unions in large American factories, where the resolution and avoidance of grievances demonstrates the importance of trade unions in factories and where discussion of matters of relationship Work between the company and personnel in the personnel, foremen, workers, or managers, inevitably - if it is carried out to a certain extent - touches something or centers on labor unions and their relationship with the board of directors (Johansson & Abrahamsson, 2009; Antonioli & Mazzanti, 2017). To give an example of the differences, it turns out that not a single company has been found in which a procedure for filing complaints that is equivalent to that generally applies to American companies is in place. Unlike contracts in America, labor union contracts in Japan - although often lengthy, do not involve details of the actual employment relationship - limit the role of the foreman, regulate the relationship between supervisors and workers, and limit the role of directors in their work. Furthermore, although it has the form of a contract, the union agreement does not have the legal implications of an American contract.

The agreement regarding the existence of a trade union

The contract deals primarily with the agreement regarding the existence of a trade union, its relationship with workers, and regarding wages and working hours. In fact it is a flexible document. In some companies there can be a quarterly review, which essentially means that the wages - the main concern of the agreement - are constantly being negotiated (Hendrik et al., 2020). Bonus payments, negotiated on a semiannual basis, are a critical period in trade union relations. In conversations with those on the board there was no indication of genuine concern about the presence and potential strength of the trade union in the factory (Bronkhorst, 2020). Given the labor surplus in Japan and a brief history, erratic leadership, the weak role of trade unions in factories, the directors do not seem to see local trade unions as a genuine threat to the functioning of an essentially autonomous factory (Hwang, 2021). At the same time, it would be inaccurate to claim that the average factory worker is indifferent and unconscious of the trade union. The responses to the questionnaire containing matters relating to trade unions indicate a general feeling that a trade union is needed (Wang & Ouattara, 2020; Chang et al., 2007). Don't be too strong now and that it should continue, at least at the current level of strength. The uncertain and limited role of trade unions in the actual work place can be explained by two factors. The first factor, the history and leadership of the trade unions and, secondly, the arrangement of relations between workers and enterprises - which have so far been successfully maintained - leaves little room for active local trade unions. This study is not about Japanese trade unions unless it is a factor in the local factory situation. For a more detailed and in-depth study of the Japanese trade union movement, it is necessary to point to several existing historical analyzes. Only by looking at the local situation, from history. Figure 2 shows quarterly GDP in volume terms for the G20 economies.

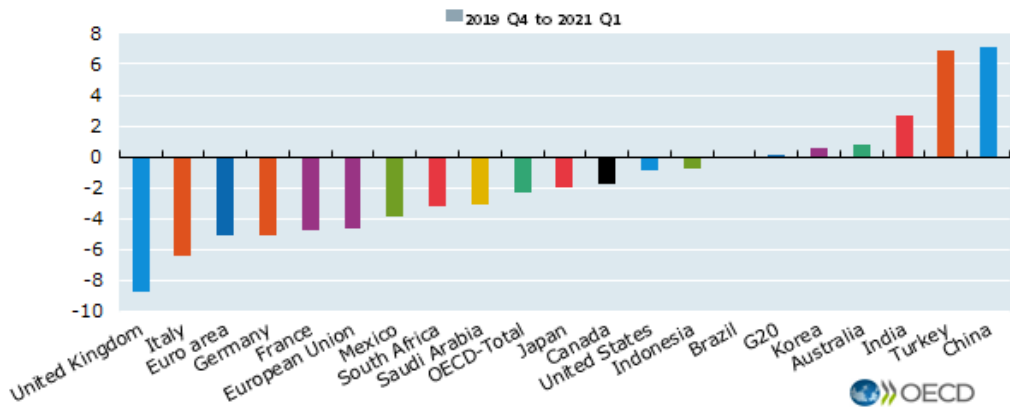


Figure 2. Quarterly GDP in volume terms for the G20 economies

The first postwar negotiations of the year on a factory would be Inspirational Inspiration of the inexperience of trade union leaders. In a liberal atmosphere in the 20s, this factory has free workers. Although initially opposed by the company and later by organizations supported by nationalistic and right-wing companies, it survived until the depression days of 1931. Since then no free trade unions have existed until the postwar period, when Japan became aware of the positive attitude of the Occupying Power towards the trade unions. With the promulgation of the orders / instructions of the Occupying Power regarding trade unions, local organizations and national labor groups (Lee & Son, 2020). The Board of Directors became aware of the existence of local groups when three local representatives went to the factory manager on the morning of New Year's Day 1946. This presumption put forward three instructions: first, that democratization should begin in the factory; second, that the union must; and third, factory wages must be doubled (Zavodny, 2000; Machin & Puhani, 2003). Since the first document is very general and the second has sufficient grounds, it is not difficult to approve it under these circumstances (Suhartini et al., 2020). Third, the immediate doubling of wages is another matter. Finally, approval of a wage increase of 20% was reached, the directors reported that this was actually a suitable solution, because the Japanese word for 2 times, nibai, is the same as the word, niwani, which is 20%. The board of directors at least asked that this question was enough to make the union leadership resign from excessive participants on their first orders (Lollo & O'Rourke, 2020). Whatever the wisdom of this story, this anecdote has portrayed the slackness of trade union development and a lack of experienced and trained leadership (Greaney & Tanaka, 2020). Although a number of individuals who are known nationally can and have been mobilized to lead trade unions in terms of national policy and politics national, it seems that in the local trade unions there has not yet been such experienced and dedicated leadership necessary to strengthen his position in local work situations. However, regardless of leadership, for strong local trade unions there was little room for movement in the relations system at large Japanese factories (Akinwale & Olusanya, 2020), that is, apart from wages. The miserable payment of wages in many industries and factories has led to violent and fierce strikes in the postwar era to raise wage levels [20]. In the factories observed where the level of wages is at least equal to the average national wage, it appears that the relationship between the ordinary members of the trade unions and the large national trade unions is very little.

Many factors affect the entire system of wages and rewards to increase productivity in factory apart from those discussed in this article, including: Attitudes: (Kholisoh & Ali, 2020); Compensation: (Purba et al., 2017); Creativity: (Desfiandi et al., 2017; Yacob et al., 2020; Richardo et al., 2020; Prayetno & Ali, 2020; Widayati et al., 2020); Knowledge: (Mukhtar et al., 2016); Leadership: (Limakrisna et al., 2016; Bastari & Ali, 2020; Ali et al., 2016), Learning Resources: (Elmi et al., 2016); Organizational Commitment: (Harini et al., 2020; Prayetno & Ali, 2017).

Conclusion

It may further be noted that in factories owned by large companies with standard wage rates, it was common for workers in every company-owned factory to group into a single organization rather than being affiliated with a workers' organization. As long as the gap between directors and workers is concerned - for example, differences in background and training between newly hired coins and shokuin will continue to increase - it is likely that trade unions will play an important role in the local situation. In the current Japanese system, there is little room for movement for trade unions if this system functions effectively. The loyalty that this system enforces and the intimacy of this system leaves little wiggle room for loyalty to third parties still present in the actual workplace. Workers in large corporations view trade unions as a potential counterweight to excessive work on the part of the director because of his prerogative. When viewed from the point of view of the local work situation, the position of national-level trade unions in Japan appears to be similar to that of the federal government in the United States, the third party within the workplace, is not active as much as it should be but in essence friendly to the workers and a necessary force to curb the free play actions of the board of directors (Reddick, 2004; Parent et al., 2005). In considering the potential of trade unions in local situations there is one thing that must be considered. Although weakness at the local level may be due to a lack of effective leadership, the promotion system currently in use in factories allows for future trade union leadership. Usually - only with the blatant and rare exceptions - ambitious young people whose parents are laborers or farmers and only have high school education, have no chance of realizing their ambition of working for the company. It seems that it is possible that such a young man will hope for a career in the trade union, or a political career with trade union support, as a channel for his hopes and ambitions. The board of directors not only loses capable leaders because of its recruitment and promotion policies, it will also result in antagonistic leadership within the local trade union.

References

- Adamopoulou, E., & Villanueva, E. (2020). Wage determination and the bite of collective contracts in Italy and Spain: evidence from the metal working industry.
- Akinwale, A. A., & Olusanya, O. A. (2020). Influence of Subcontracting Processes on Wages and Workloads in the Building Construction Industry in Nigeria. *Journal of Construction Business and Management*, 4(2), 1-10.

- Ali, H., Mukhtar, & Sofwan. (2016). Work ethos and effectiveness of management transformative leadership boarding school in the Jambi Province. *International Journal of Applied Business and Economic Research*.
- Antonioli, D., & Mazzanti, M. (2017). Towards a green economy through innovations: The role of trade union involvement. *Ecological Economics*, 131, 286-299. <https://doi.org/10.1016/j.ecolecon.2016.09.003>
- Baker, A. D. (1998). A survey of factory control algorithms that can be implemented in a multi-agent heterarchy: dispatching, scheduling, and pull. *Journal of Manufacturing Systems*, 17(4), 297-320. [https://doi.org/10.1016/S0278-6125\(98\)80077-0](https://doi.org/10.1016/S0278-6125(98)80077-0)
- Bastari, A. H., & Ali, H. (2020). Determinant Service Performance Through Motivation Analysis And Transformational Leadership. *International Journal of Psychosocial Rehabilitation*.
- Belman, D., & Voos, P. B. V. (1995). Prevailing wage laws in construction: The costs of repeal to Wisconsin. Institute for Wisconsin's Future.
- Bernstein, D. E. (1997). The shameful, wasteful history of New York's prevailing wage law. *Geo. Mason UCRLJ*, 7, 1.
- Bronkhorst, R. (2020). Concepts Derived from the Human Rights: Living Wage and Living Income. In *The Economics of Human Rights* (pp. 11-22). Palgrave Macmillan, Cham.
- Chang, J. J., Shaw, M. F., & Lai, C. C. (2007). A "managerial" trade union and economic growth. *European Economic Review*, 51(2), 365-384. <https://doi.org/10.1016/j.euroecorev.2005.12.003>
- Desfiandi, A., Fionita, I., & Ali, H. (2017). Implementation of the information systems and the creative economy for the competitive advantages on tourism in the province of Lampung. *International Journal of Economic Research*.
- Duncan, K., & Ormiston, R. (2019). What does the research tell us about prevailing wage laws?. *Labor studies journal*, 44(2), 139-160.
- Duncan, K., & Waddoups, J. (2020). Unintended consequences of Nevada's ninety-percent prevailing wage rule. *Labor Studies Journal*, 45(2), 166-185.
- Duncan, K., Philips, P., & Prus, M. (2012). Using stochastic frontier regression to estimate the construction cost inefficiency of prevailing wage laws. *Engineering, construction and architectural management*.
- Elmi, F., Setyadi, A., Regiana, L., & Ali, H. (2016). Effect of leadership style, organizational culture and emotional intelligence to learning organization: On the Human Resources Development Agency of Law and Human Rights, Ministry of Law and Human Rights. *International Journal of Economic Research*.
- Fanani, D., Idris, J., Siregar, R., Rahim, A., & Zaini, Z. (2021). The business entity model development in the market-driven health sector. *Linguistics and Culture Review*, 5(S3), 65-73. <https://doi.org/10.37028/lingcure.v5nS3.1363>
- Greaney, T., & Tanaka, A. (2020). Foreign ownership, exporting and gender wage gaps: Evidence from Japanese Linked Employer-Employee Data.
- Greenberg, M., Mantell, N., Lahr, M., Frisch, M., White, K., & Kehler, D. (2005). Evaluating the economic effects of a new state-funded school building program: the prevailing wage issue. *Evaluation and Program Planning*, 28(1), 33-45.
- Harini, S., Hamidah, Luddin, M. R., & Ali, H. (2020). Analysis supply chain management factors of lecturer's turnover phenomenon. *International Journal of Supply Chain Management*.

- Hendrik, H., Hamid, H., Alvionita, D., & Alfrendo, A. (2020). Wage System and Profit Sharing in Fish Catching Business Using Lift Net in Ocean Fishing Port of Belawan. In *IOP Conference Series: Earth and Environmental Science* (Vol. 430, No. 1, p. 012017). IOP Publishing.
- Hwang, S. J. (2021). An exploration of the diffusion of policy termination: the repeal of prevailing wage laws by US state governments. *Policy Studies*, 42(2), 117-131.
- Jayady, A., Subekti, P., Smyshlyaev, A. V., Protasova, O. N., & Artha, R. (2021). Salary scale and the diversity of wage systems. *Linguistics and Culture Review*, 5(S1), 293-302. <https://doi.org/10.37028/lingcure.v5nS1.1375>
- Johansson, J., & Abrahamsson, L. (2009). The good work—a Swedish trade union vision in the shadow of lean production. *Applied ergonomics*, 40(4), 775-780. <https://doi.org/10.1016/j.apergo.2008.08.001>
- Kholisoh, N., & Ali, H. (2020). Shaping radical attitudes: Mass media and government policies analysis (case study in high school students of West Jakarta). *Talent Development and Excellence*.
- Lee, J. H., & Baek, S. H. (2020). Development of Survey Framework for Prevailing Wage in the Construction Industry. *Journal of the Korea Academia-Industrial cooperation Society*, 21(1), 138-147.
- Lee, J. H., & Baek, S. H. (2020). Development of Survey Framework for Prevailing Wage in the Construction Industry. *Journal of the Korea Academia-Industrial cooperation Society*, 21(1), 138-147.
- Lee, K. H., & Son, C. B. (2020). Improvement Measures of Wage Estimation System for Construction Skilled Workers. *Journal of the Korea Institute of Building Construction*, 20(3), 223-233.
- Limakrisna, N., Noor, Z. Z., & Ali, H. (2016). Model of employee performance: The empirical study at civil servants in government of west java province. *International Journal of Economic Research*.
- Lollo, N., & O'Rourke, D. (2020). Factory benefits to paying workers more: The critical role of compensation systems in apparel manufacturing. *PloS one*, 15(2), e0227510.
- Machin, S., & Puhani, P. A. (2003). Subject of degree and the gender wage differential: evidence from the UK and Germany. *Economics Letters*, 79(3), 393-400. [https://doi.org/10.1016/S0165-1765\(03\)00027-2](https://doi.org/10.1016/S0165-1765(03)00027-2)
- Mukhtar, Risnita, Saifillah, M. S., & Ali, H. (2016). Effect of knowledge management and work commitment to employees satisfaction services (Study on teacher Madrasah Aliyah Country Jambi Province). *International Journal of Economic Research*.
- Parent, M., Vandebek, C. A., & Gemino, A. C. (2005). Building citizen trust through e-government. *Government Information Quarterly*, 22(4), 720-736. <https://doi.org/10.1016/j.giq.2005.10.001>
- Petersen, J. S. (2000). Health Care and Pension Benefits for Construction Workers: The Role of Prevailing Wage Laws Health Care and Pension Benefits for Construction Workers. *Industrial Relations: A Journal of Economy and Society*, 39(2), 246-264.
- Prayetno, S., & Ali, H. (2017). Analysis of advocates organizational commitment and advocates work motivation to advocates performance and its impact on performance advocates office. *International Journal of Economic Research*.

- Prayetno, S., & Ali, H. (2020). Entrepreneurial supply chain management competence: Predictors of work motivation advocate. *International Journal of Supply Chain Management*.
- Purba, C. B., Arzio, & Ali, H. (2017). The influence of compensation, working environment and organization culture on working productivity of BPJS (workers social security agency) employment staff in Rawamangun Branch. *Man in India*.
- Quesada, A. D., Manzo IV, M. F., Belman, M. D., & Bruno, R. (2013). A Weakened State: The Economic and Social Impacts of Repeal of the Prevailing Wage Law in Illinois. *Labor Education Program, School of Labor and Employment Relations, University of Illinois at Urbana-Champaign*. https://ler.illinois.edu/wp-content/uploads/2015/01/PWL_policy-brief_spreads041.pdf.
- Radziwon, A., Bilberg, A., Bogers, M., & Madsen, E. S. (2014). The smart factory: exploring adaptive and flexible manufacturing solutions. *Procedia engineering*, 69, 1184-1190. <https://doi.org/10.1016/j.proeng.2014.03.108>
- Reddick, C. G. (2004). A two-stage model of e-government growth: Theories and empirical evidence for US cities. *Government information quarterly*, 21(1), 51-64. <https://doi.org/10.1016/j.giq.2003.11.004>
- Richardo, Hussin, M., Bin Norman, M. H., & Ali, H. (2020). A student loyalty model: Promotion, products, and registration decision analysis-Case study of griya english fun learning at the tutoring institute in wonosobo central Java. *International Journal of Innovation, Creativity and Change*.
- Suhartini, E., Yumarni, A., & Suprihatiningsih, E. (2020). Optimization of Wage Payments in PT Unitex Bogor in Efforts to Improve Workers' Welfare. In *International Conference on Law, Economics and Health (ICLEH 2020)* (pp. 77-82). Atlantis Press.
- Wang, Y., & Ouattara, K. S. (2020). Employment double dividend hypothesis with the presence of a trade union. *Economics Letters*, 193, 109273. <https://doi.org/10.1016/j.econlet.2020.109273>
- Widayati, C. C., Ali, H., Permana, D., & Nugroho, A. (2020). The role of destination image on visiting decisions through word of mouth in urban tourism in Yogyakarta. *International Journal of Innovation, Creativity and Change*, 12(3).
- Yacob, S., Sucherly, Sari, D., Mulyana, A., & Ali, H. (2020). An Optimising strategy for minimarket modern retail business performance in Indonesia. *International Journal of Innovation, Creativity and Change*.
- Zavadny, M. (2000). The effect of the minimum wage on employment and hours. *Labour Economics*, 7(6), 729-750. [https://doi.org/10.1016/S0927-5371\(00\)00021-X](https://doi.org/10.1016/S0927-5371(00)00021-X)