RESEARCH ARTICLE

THE INFLUENCE OF LABOR UNIONS ON THE PERFORMANCES AND WELFARE OF PRODUCTION WORKERS IN EAST JAVA

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ARTICLE INFO	ABSTRACT
	The purpose of this study was to determine the influence of Labor unions on the performance and welfare of production workers in East Java Indonesia. Samples were taken from the four companies in the 4 districts / cities in East Java. To analyze the relationship between the variables of trade unions, variable performance, and variables welfare of workers in this study using Structural Equation Modeling with the SPSS 20 Amos 7 software. The analysis conducted in this study include confirmatory factor analysis of each latent variable both the exogenous construct as well as the endogenous constructs, a full analysis of SEM models, assumptions SEM analysis, structural equation models and hypothesis testing. Calculation of SEM analysis, parameter estimation of the relationship between labor unions on the performance obtained for 0.425. Testing the relationship between the two variables indicate the value of CR = 4.421 with probability = 0.000 (p <0.05). Means that the labor unions and a significant positive effect on the performance of labor, so the higher the union owned by the company, the performance of the workers will be higher as well. Parameter estimation of the relationship between the performances of labor for the welfare of workers obtained for 0.596. Testing the relationship between the two variables indicate the value of CR = 5.541 with probability = 0.000 (p <0.05). Means that the performance of labor is significant and positive effect on the welfare of workers, so that the higher the performance of the workers, the company owned by the workers' welfare will be higher as well.

INTRODUCTION

Both in developing and in developed countries labor issues should be handled well and seriously, especially in developing countries such as Indonesia with a dense population, the labor issues are becoming increasingly complex and it requires serious attention from both government and private sector. In Indonesia, including in East Java current problems between workers and employers are still controlled by conflicting interests. Unemployment is still high enough that happens, it causes labor competition is getting tougher. The government's efforts to expand job has been done. Human resource issues in this case the workers or workers become an important concern for the company to remain in order to survive in the increasingly fierce competition. Human resources or in this case the worker or workers play a major role in every activity in the company. Although there are still a lot of infrastructure and other resources that complement an organization, without the support of labor activity of the company will not run properly and smoothly even stagnant. Thus the labor issues have to be considered because it will determine the successful implementation of the company's activities.

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Organization Workers Union / Labor have a very important role in industrial relations. Harmonious industrial relations, dynamic and justice and dignity will only exist at the enterprise level social dialogue therefore equal, healthy, open, trusting, and with the same vision that can be used to improve the performance of the workers that would have an impact on the growth of the company.

Conceptual Framework

Figure 1. The Conceptual Frame work in this study

Hypothesis

The hypotheses in this study are:

1. The Labor Unionshave positive and significant effect on the performance of production Workers in East Java.

2. The performances of production workers have positive and

significant effecton the welfare of production workers in East Java

MATERIALS AND METHODS

Definition Operational Variable the variables in this study include:

I. Labor Unions (X1) In accordance with Article 102 of the Labor Law in 2003, in the conduct of industrial relations, workers and labor unions have run a job function in accordance with its obligations, to maintain order in the continuity of production, channeling their aspirations democratically, develop skills, and expertise and helping promote the company and the welfare members and their families. In addition, the roles of labor unions also provide legal protection to the workers themselves.

Limits on indicators of labor unions are:

- Fighting for the welfare of members
- Provide legal protection
- Channeling aspirations democratically
- Maintaining order to ensure production
- Develop skills and justice

II. Labor Performance (Y1) Mangkunagara (2006) stated that the performance is the result of the quality and quantity of work achieved by an employee/employees in carrying out their duties in accordance with their possibilities assigned to him. Kustriyan to in Mangkunagara (2006) also stated that the performances a comparison of the results achieved with the participation of labor per unit time. In a large dictionary Indonesian quoted and translated by Hadari Nawawi (2006: 63) says that the performance is something that is achieved, achievement shown, and the ability to work. Limits of the indicators that affect the performance of production workers are:

- Quantity of work
- Quality of work
- Speed of time
- Presence
- Ability to work together

III. Labor welfare production (Y2) Indicators of welfare programs, according to Malayu Hasibuan (2007: 188)

1. Economical Characteristically Welfare Program

This program aims to provide an additional security over the economy principal payments. The types of welfare program consist of:

- Pension
- Money the Idul Fitri (THR)/ Christmas
- Clothing department
- Money treatment

2. Characteristically Welfare Program Facility

This program is intended to ease or relieve and usually is required by the employee. Are included in this group are:

- Means spirituality
- Sports facilities
- Cooperative
- Leave / break
- Permit

3. Characteristically Welfare Services Program

It is a relief as providing certainty ongoing revenue stream of family income in lieu of some or all of the family income in lieu of some or all of the lost income. Welfare programs providing services include: Insurance / Social Security. Welfare program encourage discipline employees to be more punctual in performing the task and in addition to retain employees in the long term.

Limits of the indicators that affect the welfare of production workers

- Welfare which is economical
- Welfare facilities that are
- Welfare providing services
- Safety at work
- The level of difficulty in working

Population and Sample

The population in this study is the production workers in the province of East Java. In this study, samples were taken at four companies in East Java relocated in four cities/ districts namely PTHM Sampoerna in Surabaya, PT Interbat which is located in Sidoarjo, PT Garuda Food, located in Gresik and PT Sung Hyun located in Pasuruan. Because the population is very large and not known for certain, the authors define the sample sizeof159 people

Technical Analysis

In analyzing and testing hypotheses with respect to the issues in this study, the authors used Structural Equation Model (SEM) which is operated through SPSS 20 AMOS 7 (Hair *et al*., 1998; Ferdinand, 2006).

RESULTS

Test the feasibility of the model shows that the model fits the data or the fit of the data used in the study were as seemingly in the following table:

The results of the analysis of the data processing is seen that all the constructs that are used to establish are search model, the process of a full analysis of SEM models have met the criteria of goodness of fit has been determined. Probability values in this analysis shows that the value exceeds the limit of significance of 0.349(p> 0.05). This value indicates no difference between the prediction covariance matrixes with the estimated covariance matrix. Goodness of fit other sizes also showed good condition GFI and AGFI had reached a value of

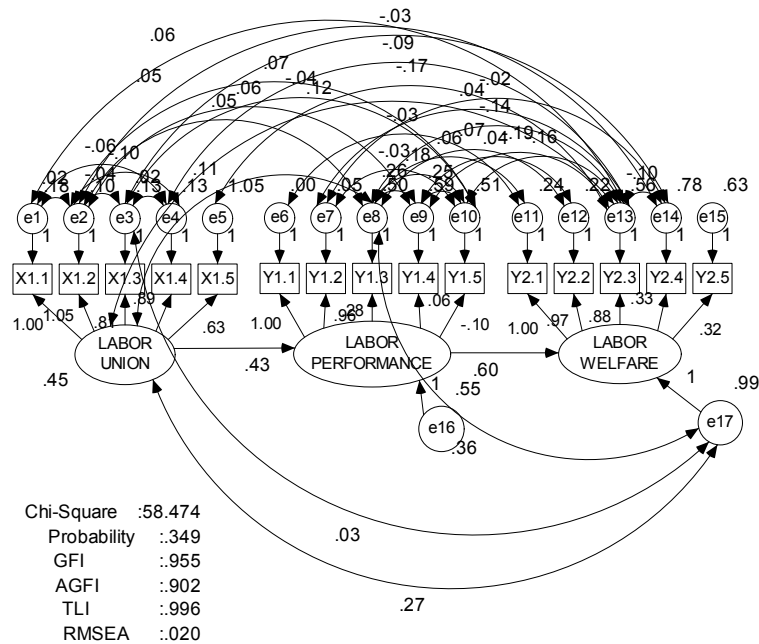**CONFIRMATORY FACTOR ANALYSIS - FULL MODEL MODIFICATION INDICES**

Figure 2. Full-Model Testing Results Structural Equation Model (SEM) *Modification Indices*

Table 1. Structural Equation Model (SEM)

Goodness-of-fit indexs	Cut-of-value	Result Analysis	Evaluation model
Chi-square	X2 Tabel df (0,01,88) = 121.7671	54,6	Good
Significancy Probability	≥ 0.05	0,349	Good
RMSEA	≤ 0.08	0,020	Good
GFI	≥ 0.90	0,955	Good
AGFI	≥ 0.90	0,902	Good
CMIN/DF	≤ 2.00	1,063	Good
TLI	≥ 0.95	0,996	Good
CFI	≥ 0.95	0,998	Good

Source: Research data are processed, 2014

Table 2. Hypothesis Testing

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
LABOR_PERFORMANCE	<---	LABOR_UNION	.425	.096	4.421	***	par_13
LABOR_WELFARE	<---	LABOR_PERFORMANCE	.596	.108	5.541	***	par_14
X1.1	<---	LABOR_UNION	1.000				
X1.2	<---	LABOR_UNION	1.047	.102	10.299	***	par_1
X1.3	<---	LABOR_UNION	.805	.100	8.047	***	par_2
X1.4	<---	LABOR_UNION	.887	.126	7.016	***	par_3
X1.5	<---	LABOR_UNION	.631	.132	4.769	***	par_4
Y1.1	<---	LABOR_PERFORMANCE	1.000				
Y1.2	<---	LABOR_PERFORMANCE	.960	.044	21.742	***	par_5
Y1.3	<---	LABOR_PERFORMANCE	.277	.069	4.008	***	par_6
Y1.4	<---	LABOR_PERFORMANCE	.055	.073	.753	.451	par_7
Y1.5	<---	LABOR_PERFORMANCE	-.103	.068	-1.503	.133	par_8
Y2.1	<---	LABOR_WELFARE	1.000				
Y2.2	<---	LABOR_WELFARE	.969	.053	18.273	***	par_9
Y2.3	<---	LABOR_WELFARE	.878	.060	14.667	***	par_10
Y2.4	<---	LABOR_WELFARE	.330	.064	5.141	***	par_11
Y2.5	<---	LABOR_WELFARE	.319	.058	5.489	***	par_12

Source: Research data are processed, 2014

0.90. To get a good model, will first be tested problem deviations from the assumptions SEM.

Assumptions Analysis SEM

1. Normality Evaluation
Normality test results indicate that there is no value of CR for Skewnessand kurtosis which are outside the range of+2:58. Thus, the data used in this research has met the requirements of the normality of the data.

2.Evaluation of Outliers Multivariate Outliers
Results indicate the probability calculation, 0:01anddegree of freedom88.Inmultivariatedata is otherwise normal, because the highest value of Mahalonobis Distance (54 600) <chi-square (58 474). So in this analysis did not reveal any outliers in multivariate, so it is not required exclusion of the sample data.

3.Evaluation of Residual Value
Results Standardized Residual covariance model of this study is shown in the appendix. The results of the analysis in this study showed no standardized residual covariance values that exceed± 2.58. Value largest standardized residual covariance is 0.104. By looking at these results it is not necessary to modify the model of this research.

Hypothesis Testing

The results of SEM analysis as hypothesis testing steps are as follows:

Testing Hypothesis 1

Parameter estimation of the relationship between the labor union was obtained for 0.425 performances. Testing the relationship between the two variables indicate the value of CR = 4.421 with probability = 0.000 (p <0.05). So it can be concluded that the labor union has positive influence on labor performance, so the higher the labor union owned by the laboratory performance will be higher as well. Thus the first hypothesis is accepted because there is a positive correlation between the labor union of the labor performance.

Testing Hypothesis 2

Parameter estimation of the relationship between labor to labor welfare performances obtained for 0.596. Testing the relationship between the two variables indicate the value of CR = 5.541 with probability = 0.000 (p <0.05). So it can be concluded that the positive effect on labor performance labor welfare, so the higher labor performance owned by the labor welfare will be higher as well. Thus the second hypothesis is accepted because there is a positive correlation between the performances of the labor welfare.

Struktural Equation Models

Source: Analysis resources, 2014

Figure 3. Struktural Equation Models

DISCUSSION

The influence of labor unions on the performances of production workers

Variable trade union formed by five indicators which include:

1) the welfare of members of the loading factor of 1.000; 2) provide legal protection to the loading factor of 1.047; 3) channel in a democratic aspirations with the loading factor of 0.805; 4) working order to ensure the production of the loading factor of 0.887; and 5) develop skills and justice with the loading factor of 0.631.

While the performance variable is formed by five indicators which include: 1) the quantity of work with loading factor of 1.000; 2) the quality of work with loading factor of 0.960; and 3) the speed of loading time by a factor of 0.227; 4) the presence of the loading factor of 0.055; and 5) the ability to work together with the loading factor of -0.103. Statistical tests of the hypothesis of unity indicates the value of the parameter estimate of 0.425, with a standard error of 0.096 parameter estimation critical ratio value of 4.421 with an error rate probability value of 0.000. By using a significance level alpha of 0.05, it can be concluded that unity hypothesis states that the trade union influence on the performance of production workers, so the higher the trade union held the worker's performance will be higher as well. It is statistically proven that the union variables affect the performance.

The Influence of performance on the welfare

Performance variables formed by five indicators which include:

1) the quantity of work with loading factor of 1.000; 2) the quality of work with loading factor of 0.960; and 3) the speed of loading time by a factor of 0.227; 4) the presence of the loading factor of 0.055; and 5) the ability to work together with the loading factor of -0.103.While the production of labor welfare variable is formed by five indicators which include: 1) an economic welfare with loading factor of 1.000; 2) well-being that is the facility with loading factor of 0.969; 3) welfare to providing services to the loading factor of 0.878; 4) safety in working with the loading factor of 0.330; 5) the level of difficulty in working with the loading factor of 0.319. Statistical tests of the second hypothesis indicates the value of the parameter estimate of 0.956, with a standard error of 0.108 parameter estimates, the value of the critical ratio of 5.541 with an error rate probability value of 0.000. By using a significance level alpha of 0.05, it can be concluded that the second hypothesis states that the performance impact on the welfare of production workers, so the higher the performance of the workers owned the labor welfare will be higher as well. It is statistically proven that the performance variables affect the welfare of production workers.

Conclusion

Based on the research that has been done, it can be concluded as follows:

1. From the calculation SEM analysis (Structural Equation Modeling), parameter estimation of the relationship between labor unions on the performance obtained for 0.425. Testing the relationship between the two variables indicate the value of CR = 4.421 with probability = 0.000 (p <0.05). So it can be concluded that trade unions positive and significant effect on the performance of labor, so the higher the trade union held the worker's performance will be higher as well.

2. Parameter estimation of the relationship between the performances of labor for the welfare of workers obtained at 0.596. Testing the relationship between the two variables indicate the value of CR = 5.541 with probability = 0.000 (p <0.05). So it can be concluded that the performance of labor and significant positive effect on the welfare of workers, so that the higher the performance of the workers owned the labor welfare will be higher as well.

Suggestions

Based on the above conclusions, the advice given is as follows:

1. The companies must embrace the union then sit together, walk together in order to achieve company goals and objectives of workers / employees, the atmosphere thus increasing the performance of labor that will result in increased performance of the company.

2. Avoidance of the union is not a wise way, embracing the trade union is a must which is solely not only to improve the performance of the organization, but also to improve the welfare of workers. Together with the unions that protect workers, companies can improve the performance of labor will affect the performance of the organization and ultimately could improve the welfare of workers.

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