

Negatives Impact Faced by Oil Palm Estate Management in managing Foreign Workers: A Case Study

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Abstract

This paper investigates the negatives impact of foreign labour on oil palm estates through a case study of Kota Tinggi Johor, a state where foreign labour immigration has played a key role in palm oil growth over the past three decades. Data were collected through a structured interview and survey. The questionnaires were delegated to employer's representatives in Kota Tinggi Johor who have direct contacts with foreign workers. There were 97 sets of questionnaires completed and analyzed through the structured interviews. The main negative impacts induced by foreign workers are absenteeism, sexual harassment, alcoholism, discipline and criminal. Absenteeism and alcoholism factors showed significance difference towards estate management perspectives ($P < 0.05$). This case study proves that there are still others factors influencing the negative impacts, social factors is not the only reason to affect. It must also being supported with economy and political factors in order to asses and control this challenges.

Keywords: Foreign Workers, Negatives Impact, Oil Palm Plantation, Estate Management and Perspectives.

Introduction

Local labour depletion problems experienced by Malaysia resulted in the country had to use foreign labour to fulfil the industries of the country. Malaysia is using the foreign labour as an asset of national development According to the Department of Statistics Malaysia 2010, there were 16% registered foreign workers at plantation sectors in Malaysia. Wong and Anwar (2003) as cited by Hamzah Abdul-Rahman (2012), highlighted that Malaysia is one of the countries which has become the focus of foreign workers and it has the highest ratio of illegal foreign workers in its workforce.

Their presence has somewhat threatened the life of the local community who can bring many problems. Therefore, management of oil palm plantation should be confronted, deal, and make decisions with foreigners that have always pose problems and issues at workplaces especially in oil palm plantation sector. However dependency of foreign worker

in plantation sectors was the most highly demanded whether they have provided problem or issues for management.

Due to the increasing number of foreign worker year by year in oil palm plantation, management has received many problems and conflict regarding of them in the workplace. However, the problems faced by management regarding of managing foreign workers at workplace are numerous. In order to recognize and determine the issues, an empirical study has been conducted. The aim of this research study are: [1] To investigate the management's perception towards problems by foreign workers. [2] To identify the citizenship of foreign workers that contributed to the negatives impacts based on management's perspectives.

Materials and Methods

Research framework

Based on objectives and previous literature on this study, a research framework was developed. This research will provide further insight as to what extent can five variables influence the estate management perspectives.

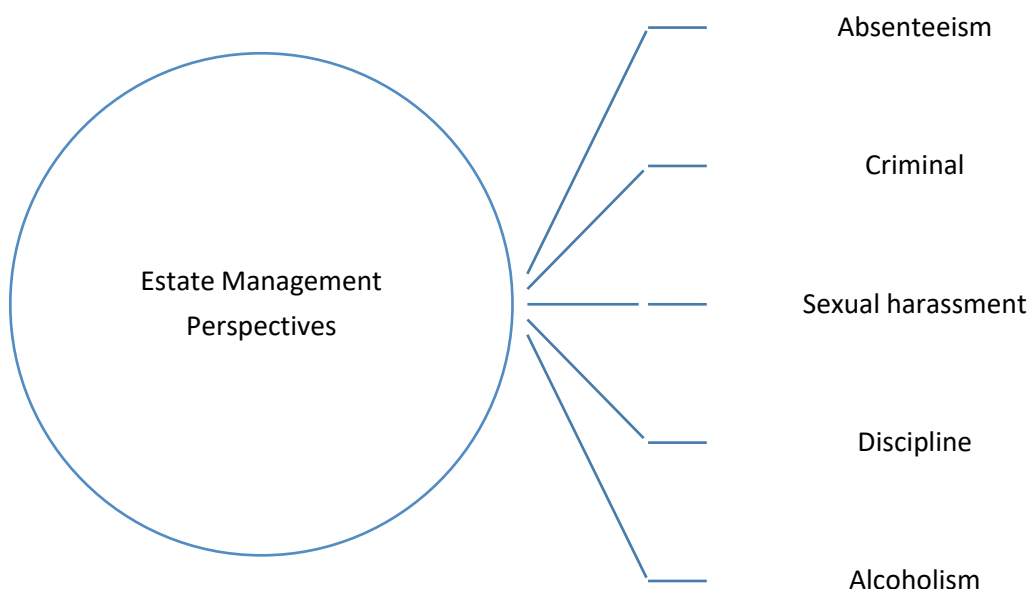


Figure 1: Negatives impact induced by foreign workers in management perspectives

Data Collection

Research study focused on oil palm plantation management that have been conducted surrounding area of Kota Tinggi Johor. The company A consists of 9 management with a total Of 19,000 ha. Area selected have stronger direct link between management of oil palm plantation with employment of foreign workers. The data have been collected based on management's perception towards problems by foreign workers in oil palm plantation. This research study involved data collection through questionnaires that was distributed to management workers who is register employed under Company A. Respondents that have answered the questionnaires be categorized into different of job position in management such as: [1] Senior Manager/manager [2] Assistant Manager [3] Field supervisor [4] Mandore.

Results and Discussion

Reliability Test

From table 1, the results of Cronbach's alpha show a positive consistency on the data when Cronbach's Alpha value estimated was higher than the index of reliability test (0.6). This shows that there is consistency among the perspectives of estate management and it can be conclude that the study based on the questionnaires is fit for this study.

Table 1

Result Reliability Test

Variables	Cronbach's alpha
Absenteeism	0.786
Criminal	0.856
Sexual harassment	0.792
Discipline	0.799
Alcoholism	0.843

Descriptive Analysis

Table 2

Classification of problems by Mean Index (MI)

	Problem	MI	Class	Rank
1	Alcoholism	3.62	Agreed	2
2	Criminal	3.47	Slightly agreed	4
3	Sexual harassment	3.11	Slightly agreed	5
4	Absenteeism	3.74	Agreed	1
5	Discipline	3.52	Agreed	3

The analysis of the data in Table 2 and showed the Mean Index (MI) and ranking of the negatives impact contributed by foreign workers in oil palm plantation surrounding Company A Kota Tinggi Johor based on management's perception. The highest selection problems that been agreed by most respondents of management were absenteeism (3.74 MI), alcoholism (3.62 MI), and discipline (3.52 MI). The rest of problems were slightly agreed by the respondents such as criminal (3.47 MI) and sexual harassment (3.11 MI).

Results based on second objective of this research study which is to identify the citizenship of foreign workers that contributed towards negatives impact based on management's perception. Table 3 showed the frequency, percentage, and ranking of the citizenship of foreign workers that contribute problems in oil palm plantation surrounding Company A Kota Tinggi based on management's perception. The findings showed that respondents were highly selected foreign workers from country of Indonesia (42.8%), Bangladesh (25.8%), Nepal (18.5%), and India (12.9%) as the citizenship of foreign workers that usually contribute problems to the management in oil palm plantation surrounding Company A Kota Tinggi based on their perception.

Table 3

Foreign workers by citizenship

Citizenship	Frequency	Percent (%)	Rank
Bangladesh	48	25.8	2
India	24	12.9	4
Indonesia	61	42.8	1
Nepal	30	18.5	3

Relationship between Factors Contributed to Estate Management's Perspectives

Pearson Correlation Analysis was used to identify the relationship between the independent variables (alcoholism, absenteeism, criminal, discipline and sexual harassment) that affect the estate management perspectives.

Table 4

Significance Level between the Dependent Variable with the Independent Variables

Independent Variable	R	Dependent Variable (Smallholder's behaviour) <i>p</i>
Alcoholism	0.261	0.046
Criminal	-0.188	0.450
Absenteeism	0.386	0.003
Discipline	0.057	0.666
Sexual harassment	0.048	0.691

From table 4, we can see a significant value between the dependent variable and the independent variable. Based on table 4, it is clearly seen that the absenteeism have a significant relationship because the value of significant, $p = 0.003$ at $p < 0.05$. Although there was a significant relationship between the two variables, but the relationship was weak because the r – value was in the range of 0.20 until 0.39, which categorized as weak. Thus, there was a significant weak positives relationship between the absenteeism and perspective. The second factor; alcoholism, have also a significant relationship because the value of significant, $p = 0.046$ at $p < 0.05$. Although there was a significant relationship between the two variables, but the relationship was weak because the r – value was in the range of 0.20 until 0.39, which categorized as weak. Thus, there was a significant weak positives relationship between the alcoholism and perception.

Conclusion

The results of this research study indicate that foreign workers usually provide and contribute problems to the management that influence to the negative impact to the organization and society. However, these findings are only acceptable and applicable for management of oil palm plantation surrounding Company A Kota Tinggi, Johor and cannot be generalized to outside of the organization. The same research study required to be conducted with management workers from other organizations or industries to seek if there are any similarities with the management's perception towards negatives impact induced by foreign workers in oil palm plantation. As suggestion based on findings and conclusions of the research study, the following are several recommendations to be considered such as

management of oil palm plantation industry required in taking measurement of problems that provide and contribute by foreign workers that were employed. Secondly, the organisation should monitor foreign workers either in workplace or outside of workplace to ensure stability, sustainability, and security among society.

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