

## **Effects of Prevailing Socio-Economic Status of Workers for Worker Productivity with Reference to Sri Lankan Tea Industry in Ratnapura District**

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### **Introduction**

The tea industry is the most important industry to the economy. It has given greater contribution to the Sri Lankan economy over the years. Further, it has represented considerable amount of the Gross Domestic Production (GDP) of Sri Lanka. It is the third largest agricultural industry in Sri Lanka by contributing 1.0% to the Gross Domestic Production (GDP) of Sri Lanka in year 2009. Tea is the second largest foreign exchange earner next only to apparel industry. In year 2009, Sri Lanka has earned Rs million 136171 by exporting both bulk and value added form of tea 289.7kgmn (Central Bank Report, 2009). Further, it is the one of the major exporter to the world market. The Sri Lankan tea has good demand in the world market. In year 2008, Sri Lanka ranked at the second place in the world market by the quantity of tea exported.

The tea industry is the most important industry to the economy, because it creates more employment opportunities. Tea industry creates direct as well as indirect job opportunities. According to the labor survey done by the Department of Census and Statistic in year 2009, 33% of workers are employed in the agricultural industry.

This research is mainly focused on identifying the relationship between socio-economic factors and labor productivity in Sri Lankan tea industry with referring to Ratnapura tea planting district. Socio-economic factors are the social and economic experiences and realities that shape one's personality, attitudes, and lifestyle. Tea is the most labor-intensive crop among all the plantation crops. It has both an agricultural and a manufacturing dimension. Worker productivity is the amount of goods and services that a worker produces in a given amount of time.

The primary objective of this research is to identify the relationship between Socio-economic factors and worker productivity in tea industry. The secondary objectives are;

- Identify the various socio economic factors that affects the worker productivity
- Give recommendations to improve the socio-economic status of workers
- Identify socio-economic issues in tea industry

### **Methodology**

The population of this research was the tea pluckers in Ratnapura Tea Plantation Estates and 80 respondents were selected from the six estates. Stratified Sampling Technique used to select the sample from the population. Stratification of Ratnapura district is base on electorate divisions. There are 8 electorate divisions in Ratnapura district. It allows representation of different strata of tea estates in Ratnapura district. One estate from one electorate division was selected. Finally, one division will be selected from each estate for the sample. In order to select the employees from the population, simple random sampling technique was used.

Both descriptive and inferential statistics was used to data analysis. Descriptive graphical method will be used to analysis socio economic characteristic of the workers in tea estates through descriptive statistics. Inferential statistics will be used to test the relationship between socio - economic status of workers and their productivity. Correlation Coefficient and Regression analysis were used as the inferential statistic.

### **Results and discussion**

Majority of the plucking workers are female workers. Male workers had minor contribution to the plucking of tea leaves in the tea estate. Most of the pluckers are between the ages of 25-34 years. Second largest age category is 35-44 years.

#### **Correlation Analysis**

In an attempt to find the relationship, correlation analysis was carried out and the result was interpreted. Results revealed that there is a moderate negative relationship between sex and level of education and labor productivity in tea industry. Age, years of experience and income has the strong positive relationship with the labor productivity.

#### **Regression analysis**

Eighty Two Percent of the variation can be explained by the model and unexplained variation was 18%. In here, the explained variation was significantly higher than the unexplained variation. Since the R Square value was largest value this model was fitted well. Thus, the socio economic status can be used to identify the variation in labor productivity. The adjusted R Square of this was 0.807. So it indicated that the model was fitted well since the most of the variation (81%) was explained by the model.

#### **Regression analysis of sex, age, education level, years of experience and income versus labor productivity**

According to the output of the regression analysis, it can be recognized that when sex increased by one unit, labor productivity was decreased by 1.283. The P- value of sex (0.052) was less than significant level of 10%. Therefore, sex was statistically significant at 10%. When age increased by on unit labor productivity was increased by 0.015. The P-value of age (0.838) indicated that the age was not significant at any significant level. When consider about the education level, it can be recognized that when educational level increased by one unit labor productivity was decreased by 0.143. The P-value of education (0.078) was less than significant level of 10%. Therefore, education was statistically significant at 10%. And also, it can be identified that when experience increased by one unit labor productivity was increased by 0.210. The P-value of experience (0.019) was less than the significant level of 5%. Therefore, experience was statistically significant at 5%. Furthermore, it can be recognized that when income increased by one unit the labor productivity was increased by 0.004. The P-value of income (0.000) was less than the significant level of 1%.

### **Conclusions**

There was positive relationship between age, years of experience, income and labor productivity. There was negative relationship between sex, education and labor productivity. The relationship of sex, education, years of experience and income with labor productivity were significant. It indicated that sex, education, years of experience and income have significant influence on the labor productivity. Therefore, these four variables were identified as the socio- economic factors which affect to the labor productivity. It can be identified that years of experience as most effective socio-

economic factor for improve labor productivity. Further researcher advice the following suggestions for managerial implications to increase the worker productivity.

### **Suggestions**

The present education condition was not much of satisfactory level in the plantation sector. Most of the children in the estate not obtain enough education. So, the estate management should motivate labors to give proper education to their children. As well as, it is responsibility of management to educate estate workforce.

The present income level was not in the satisfactory level. Therefore, the management should satisfy employees by giving them enough salary and motivate them to doing more work. As well as, estate management should facilitate labors to obtain extra income.

There should be better welfare facilities, medical facilities, sanitary facilities and housing facilities to satisfy and motivate them. It will help to improve the socio-economic status of workers.

To obtain the better output from the workers, the estate can provide necessary equipments and materials and maintain better practice of crop management.

Introduction of new incentive packages and reward system will motivate labors to obtain better output through increasing the efficiency of labors.

Frequently assess the performances and reward them accordingly for their achievements to motive workers

Better training is needed for estate operations to maintain good care of the estate resources. Training should be done under the experienced person in the estate about the different operations. Further, the training could be useful for the new comers and others as well.

### **References**

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