

## **FACTORS INFLUENCING LABOUR TURNOVER IN THE TEA PLANTATION SECTOR IN BADULLA REGION IN SRI LANKA: A CASE STUDY ON CULLEN TEA ESTATE, BADULLA**

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### **INTRODUCTION**

The tea plantation industry in Sri Lanka is an industry which needs continuous supply of the labour force as it is a highly labour-intensive Field from plucking tea leaves to manufacturing process (Chandrabose, 2015). In such a scenario, employee turnover has become one of the biggest challenges that the tea plantation sector faces in Sri Lanka today.

Employee turnover or outgoing labour in the tea plantation sector is not a new phenomenon in the plantation sector in Sri Lanka (Chandrabose, 2015). Though the labour turnover was small scale in the past, today this issue has become one of the biggest concerns among the tea plantation companies in Sri Lanka.

According to the statistical information on the plantation crops (2011) of the Ministry of Plantation Industry, “the number of registered labourers in the large-scale tea estates were 497,995 in 1988 and it had declined to 405,304 in 1990 and as of 2011 it has further declined to 207,235, which is a 58 percent decline in the last two decades” (Chandrabose, 2015). Also, as per the statistical information crops (2018) statistical handbook, it has further Declined to 139,522 which is Equivalent to 32 percent in 2018 compared to the statistics of 2011.

Sri Lankan tea economy contributes to more than one million employment opportunities in the country, both directly and indirectly. The tea industry also helps the Sri Lankan economy earn about 15 percent of foreign exchange earnings. Any change in the fortunes of the industry can seriously affect the health of the Sri Lankan economy (Hilal, 2020).

Tea production in Sri Lanka had steady growth up to 1970 and thereafter stagnation set in production. The nationalization of plantations in Sri Lanka is the root cause for a steep decline in the production performance. While global tea production has increased by 51 per cent during the periods of 1965 to 1977, Sri Lankan tea production has declined by nine per cent. Further, decline in land areas for tea cultivation and lower labour productivity are also attributed to the decline in tea production of Sri Lanka (Economic Review, 2001). Therefore, it is evident that labour turnover is one of biggest challenge the tea plantation sector faces today.

Many studies have been done in academia to find the factors that affect labour turnover in different industries including the tea plantation sector. But these studies have focused more on economic factors which lead the labour turnover in the tea industry, neglecting the importance of social, psychological and political factors which highly affect outgoing labour in the industry. This study is specially designed to find out not only economic factors but also the social, psychological and political factors that affect labour turnover in the tea plantation sector in Badulla region in Sri Lanka which carries equal importance as economic factors to aggravate this issue.

### **METHODOLOGY**

The study utilized both primary data collection tools and secondary data collection tools. primary data collected through a structured questionnaire by using 50 respondents through a random sample. The structure of the questionnaire is specially designed on a Likert scale

where the respondents can easily select their agreement or the Disagreement. Further, the gathered data were supported by 06 key informants.

Cullen estate located in Badulla town area is taken as the research area for the study. The significance of selecting this estate is that this estate is not an isolated estate. The estate is in the Badulla urban sector and the whole estate was bordered by Sinhalese villages. Therefore, the estate community has more access to the urban sector to find new employment opportunities.

Factors affecting labor turnover are analyzed by using a Likert scale based on the answers of the respondents ranging from strongly agree, agree, neutral, disagree and to strongly disagree. Finally, the findings are classified into social factors, economic factors, psychological factors and political factors that contribute towards the employee turnover.

## **RESULTS/ ANALYSIS AND DISCUSSION**

### **Demographic Analysis**

This study was conducted by selecting 50 % of females and males from Cullen Estate Badulla. Age of the respondents is categorized into four main categories ranging from 18 years to 65 years of age and above. The findings show that 58% of the population belongs to the age of 45-65 category. Therefore, there is decrease in the young population among the working crowd in the estate sector.

The level of education is another demographic feature that has a higher impact on labor turnover in the plantation sector. Among the total population, 44% of the respondents have no education and 36% of the respondents have completed their education to the Grade 08 and only 20% of the respondents have pursued G.C.E. Ordinary Level. Therefore, it is visible that the people joined the plantation sector are with very low levels of education and because of that they retained on the estate as well.

### **Social Factors**

It was evident that 88% of the respondents agreed that there is a perception in Society that Estate Workers are uneducated. But they do not like that perception. It was revealed that people do not take them seriously when they visit government organizations and even to the shops in the city. Further, one revealed that when they accompany their children to the school, even teachers and principals do not respect them or they are taken them for granted. Respondents revealed that it is mainly because of the perception that the society holds towards them as an uneducated and illiterate group of people and that made them to find new employment opportunities in the city.

Further, 56% of the respondents strongly agreed that the worker exploitation on the estates were very high and that also affected workers leaving the estate work. Focus group discussions emphasized that the workers are not considered human sometimes when it comes to the “Norm” of the harvest. No matter what the weather condition is, respondents said that they must work in adverse weather conditions to earn a very small amount of money.

Lack of recognition of the estate workers in the society also makes workers move out from the estate work. More than 80% of the respondents agreed that they are not recognized by society at many levels. Therefore, it is evident that the estate workers tend to move out of the estate due to this reason as well. Several respondents revealed that even their children do not get acceptance from the society if the parents are estate workers. Further, the case studies revealed that most of the children who are well educated tend to make their parents resign from the estate work due to this issue.

However, the majority of the respondents did not agree with the fact that lack of supervision made workers leave the estate. 54% of the respondents disagreed with the fact. The majority of the respondents were neutral on the support of the fellow members affecting labour turnover at the estate.

In addition, 82% of the respondents strongly agreed that the lack of adequate workforce makes workers move away from this job. As this makes others a huge burden on the workers left on the estate, respondents strongly agree that this factor is a major contributing factor to the labour turn over at the estate. This factor was further proven by the key informants that the estate does not recruit new workers as the overhead cost increases and the management does not encourage new recruitments. Therefore, there is no doubt that the remaining workers must double the harvesting to reach the expected daily budgets.

### **Economic Factors**

In this study 88% of the respondents strongly agreed and 12% Agreed that the workers' move out of the estate work is due to low wages. No one disagreed or was neutral regarding this factor. Therefore, it was evident that the low labour wage is one of the main reasons for the labour turnover in the tea estates. 76% of the respondents agreed that the daily pay model makes workers leave the estate work as well. 10 % of the respondents agreed to the fact. Therefore, 86% of the respondents agreed to the fact that the daily pay model makes workers leave the estate work and further results revealed that especially government and private banks do not even accept their loan applications as they only earn a daily pay and further respondents revealed that such environment, they have no space to progress their lives with this job.

No financial benefits and bonuses awarded is another factor where 44% of the respondents strongly agreed and 52% agreed as a factor affected the labour turnover. Therefore, 96% of the respondents in total agreed to the fact that lack of financial benefits/bonuses make workers leave the estate work and grab work outside the estate.

As per the data taken from the questionnaire, 40% of the respondents agreed to the fact that employees tend to turn out of the estate due to family issues. They emphasized that their family has more members and the wage given by the estate is not enough to feed all the members of their family. Only 18% of the respondents disagreed on this fact.

Further, 80% of the respondents agreed that they have better jobs with good remuneration packages outside the estate. The results also revealed that that the estate workers see the outside world from their television. Respondents said that they had disk televisions, and that they could see how the world operates. Therefore, it was evident that though people are born on the estate, the majority do not like to remain on the estates itself.

### **Psychological Factors**

Among psychological factors, 82% of the respondents agreed that there is no motivation in this job. Further, the case studies and key informants revealed that specially the young and educated crowd are not encouraged to enter this job. Surprisingly, no one has disagreed with this fact. Further 76% of the respondents strongly agreed that there is no job satisfaction from this job and that also results in outgoing labour in the plantation sector.

64% of the respondents strongly agreed and 30% of the respondents agreed with the fact that estate workers are discriminated against by society. Therefore, the respondents revealed that people tend to seek better life outside the estates.

Another factor which contributes towards labour turnover is the unfavorable working conditions on the estates. 44% of the respondents strongly agreed and 52% of the respondents

agreed to the fact that the unfavorable working conditions made workers leave the estate jobs. Therefore, there is no doubt that people move out of the estate work due to unfavourable working conditions as well.

### **Political Factors**

76% of the respondents strongly agreed that the formation of worker unions was one burning issue which caused people to leave the estate job. People say that the unions unnecessarily pressure the estate workers to go against the management without even asking for the opinion of the estate workers.

80% of the respondents strongly agreed and 10% of the respondents agreed that unreasonable strikes organized by different political parties is another factor which led people to leave the estate work. They emphasized that they are getting a daily wage, due to unreasonable strikes people even lose daily wage sometimes for months. The respondents revealed that their families have to suffer immensely on such occasions. It was clear that this factor was recognized by the estate workers as well. 92% of the respondents agreed with the fact that their real issues have not been addressed by the political leaders.

### **Retention Strategies**

Retention Strategies were developed through the information provided by the key informants of the study. As the key informants, the Superintendent of the Cullen Estate, Field Officers and the Office Staff were taken. Following are the retention strategies recommended by the key informants at Cullen Estate.

- Encourage plantation companies to assign a proper designation for the Estate workers. This issue mainly due to the lack of recognition in Society, so estate labourers or workers tend to leave the estate.
- Provide proper training and development opportunities. The plantation companies can provide this and allow participants to receive increments for successfully completing those training programmes. In such an environment, workers can be motivated to work on the estate.
- Provide scholarships for children of the estate workers and provide opportunities to access education leading children of the estate workers to later join plantation companies. This also motivates people to retain on the estate and ensure job satisfaction among estate workers.
- Preparing a monthly pay scheme instead of daily payment scheme for the estate workers. Key informants emphasized that labourers tend to leave the estate work mainly due to the daily payment scheme.
- Introducing a suitable promotion scheme or carrier path for the estate workers. These options would motivate the estate worker to retain on the estate and encourage them to pursue such promotions in their period of service.

### **FINDINGS/ CONCLUSION**

Findings of this study further clarifies that not only economic factors, but also social, psychological and political factors do influence people to leave the tea industry in Badulla region in Sri Lanka.

Under economic factors, the majority of the respondents strongly agreed that the poor remuneration for estate workers and the new employment opportunities with better remuneration affect labour turnover at the Cullen Estate. Further, respondents agreed to the fact that the monthly pay model instead of the current daily payment model is a factor that affects this decision. In addition, the fact that there are no financial benefits / bonuses, or

attractive incentive packages affect the financial aspects that influence increasing labour turnover. Family Issues, and lack of carrier growth and guidance were other reasons that were revealed as factors that affect labour turn over at the Cullen Estate.

Apart from the already identified economic factors, several social factors were also identified through study. The social perception of the Estate worker was strongly felt concern that led workers to leave employment in the estate. In addition, this study revealed that the lack of adequate employees makes the existing work-force over-burdened with heavy workload and this factor also has an effect on the labour turnover.

There were several psychological factors that affect labour turnover at the Cullen estate. Among them, the fact that there is no motivation or job satisfaction were among reasons that affected labour turnover. Apart from that, social discrimination and unfavorable working conditions were also revealed as factors that affect labour turnover at the Cullen estate.

Among political factors, unionization, unreasonable protests against the management and not addressing the real issues of the estate workers were strongly stated by the majority of the respondents and key informants.

In conclusion, it is evident that the social, psychological and political factors carry equal contribution towards labour turnover in the tea plantation sector in Badulla region along with pressing economic factors. Therefore, companies should focus more on retention strategies of the employees along with economic factors, paying attention to social, psychological and political factors, failure which will result in increasing export shortage of products adversely affecting the export agriculture in the country.

## RECOMMENDATIONS

The plantation management should identify the issues that influence labour turnover and focus on retaliation strategies to minimize labour turnover in tea plantation sectors in Sri Lanka. The motivation process of a company should focus not only on the economic wellbeing of their employees, but also of the social psychological and political wellbeing of their employees. Therefore, every organization should have their own measures to develop retention strategies to prevent further labour turnover.

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