

Social Dialogue as a Means of Enhancing Productivity and Quality of Work Life: A Case Study of the Maha Oya Group of the Bogawantalawa Plantations Company

Perspectives on Productivity Improvement

The productivity improvement movement has a long history having had its beginnings with the work simplification practices advocated by F.W. Taylor under the famous 'scientific management principles'. Since then there has been an increasing attention on evolving various approaches and strategies to enhance productivity, and more particularly labour productivity, at the enterprise level. The Asian Productivity Organisation, a regional organisation established in 1961, to support productivity promotion efforts in the Asian countries, has identified two generic approaches to productivity improvement: socio-cultural and techno-economic. The socio-cultural approach deals with such matters as moral values of a society and work ethics, while the techno-economic approach deals with more enterprise-specific factors such as industrial relations, human resource development, financial analysis and in-house entrepreneurship (APO 1989; 1998). Moving a step further, management writers have identified more specific approaches to productivity improvement planning at the enterprise level. These include work simplification, mechanisation, automation, facilities improvement, better planning and scheduling of work, more efficient use of manpower and employee participation and involvement (Armstrong 1990)

Work simplification approach, which is derived from Taylor's scientific management principles and further developed by Henry Ford for shop floor level job design, emphasises the need to enhance the productivity of the average worker through task fragmentation, work standardisation and short cycle times. In this process little or no room is left for worker autonomy. It is no secret that both Taylorism and Fordism have been criticised for creating worker boredom and dissatisfaction and encouraging adversarial industrial relations (Bratton 1999).

Except the last two, the remaining approaches focus primarily on the need to alter the technical sub-system of an organisation to improve productivity. A recent development in this direction is the business process re-engineering (BPR) approach, which aims at providing a better service to the customer and achieving large cost savings by eliminating redundant activities and ensuring better co-ordination across organisational boundaries. Such co-ordination is usually achieved through the creation of flatter organisation structures and horizontal communication networks such as cross-functional teams. Despite achievements reported by some companies that have used this approach (Hall, Rosenthal & Wade 1993), there has been some confusion and skepticism over its sustainability as an overall approach to productivity improvement. It has been noted that elimination of jobs through de-layering and the resultant increase in the workload for remaining employees could have detrimental human effects in the long run (Greer 2001). To add to this confusion, a recent study carried out in a sample of manufacturing firms in Sri Lanka has shown that in the short run, developing the human system holds greater promise for productivity improvement than developing the technical system (Aponso 2000). BPR should not be seen as an exercise in making drastic technical and structural changes in the work place, but more as an organisation-wide intervention having deep implications on the values and norms governing interpersonal relationships among organisational members. Therefore, to be successful, BPR efforts should be supported by the organisation's culture itself (Greer 2001).

The last approach, which is anchored in the modern human resource management concepts, attempts to enhance productivity by developing a committed work force. The commitment is achieved through a variety of employee involvement strategies including team briefings, job enrichment programmes, self-directed work teams, joint consultative committees and quality circles (Cotton 1993; Hyman & Mason 1995). A major theme of all employee involvement programmes is the improvement of quality of work life (QWL) of the employee (Belcher Jr. 1993; Cotton 1993). From this perspective, the

improvement of QWL is an integral part of the human resource approach to productivity improvement.

QWL is a broad concept embracing several features. As noted by Lowe (2000), a leading researcher in this field, the key features are the following:

- ❑ Decent living standard and economic security
- ❑ Healthy and safe working environment
- ❑ Mutual trust among employers and employees
- ❑ Participation in decision making
- ❑ Culture of openness regarding decision making
- ❑ Encouragement of initiative and creativity
- ❑ Opportunities to use and develop skills
- ❑ Work-life balance.

It is obvious that most of these characteristics cannot be developed without an effective dialogue in the workplace. Experience with organisations such as Sri Lanka Telecom has shown that effective workplace dialogue can be used as a vehicle to develop a new organisation cultures that promotes labour management co-operation than confrontation (See Chapter ...). The emerging view is that even productivity improvement programmes can be effective only if they are planned and implemented within a healthy climate of labour management relations based on dialogue among managers, workers and trade unions (Prokopenko 1999).

Productivity Improvement Efforts in the Plantation Sector of Sri Lanka

The importance of enhancing productivity in the estate sector and improving the quality of work life of the plantation worker as a means of achieving it has received increased attention in the recent discussions on estate sector performance in Sri Lanka. As revealed by previous studies, productivity and in particular labour productivity in the Sri Lankan plantation sector is lower than that of India, a country with a long history of plantations and Kenya, a newcomer

(World Bank 1994; Arunatilake 2000). Low labour performance and productivity in turn has been attributed to a variety of factors including high absenteeism, strikes, poor health and reluctance towards estate employment due to social stigma and harsh working conditions (Dunham et al., 1997; NIPM 1998; Sivaram 2000). If this were the case then it is prudent to ask if an improvement in the quality of working life would result in improved productivity. This question in part has been answered in recent research. For example in an empirical study on estate welfare programmes, Arunatilake (2000) found that programmes to improve health status of workers and child care facilities in the estate sector had a positive impact on labour performance. In a subsequent study she found the condition of estate housing as another factor having a potential impact on labour performance, but noted that improvements to social support systems and physical infrastructure could also play a vital role in this regard (Arunatilake 2002). Apart from welfare measures there has been some interest in examining the link between management practices, especially those relating to labour management, and worker performance. This has a special significance as the plantation sector in Sri Lanka has a history of having adhered to a rigid hierarchical system of managing labour. During the British colonial period it was essentially semi-feudal (Jayawardane 1971; Kurian 1989). Within this system there was very little room for labour management dialogue. Even though the plantation sector has gone through two significant changes after political independence in 1948, first the nationalisation of estates in the 1970s and thereafter the handing over of plantation management to 23 plantation companies formed in 1992, the hierarchical system did not totally disappear. In the recent past there have been attempts to change this system through various mechanisms, some led by the state machinery and others by the managers themselves. These attempts have produced encouraging results in terms of productivity enhancement and employee commitment and building partnership between estate management and workers. For example, in a case study of an up country tea plantation, Kulasekera and Chandratilleke (2000) found that the introduction of participatory management techniques and increased commitment

of tea pluckers had resulted in an increase in labour productivity as measured by plucking intake and factory labour output. Similarly, the estate worker housing and co-operative societies (EWHCS), which were introduced to the plantation sector in 1993 through a political decision of the state, have been able to forge a closer link between management and labour and instill a sense of dignity and belongingness among the workers (Kumarasiri & Wijekoon 2001). The first one was managerially led and the second one state led. Regardless of the origin, in both cases there had been a clear tendency to move away from the traditional hierarchy in search of greater employee consultation and participation. The present case study presents the experience of a plantation group managed by one of the plantation companies where the management has implemented several programmes to foster labour management co-operation to enhance both estate performance and the quality of working life of the plantation worker.

Bogawantalawa Plantations Company (BPL)

Bogawantalawa Plantations Limited (BPL), is one the 23 plantation companies established in 1992 under the divestiture programme of the state to manage state owned plantations. BPL is a public quoted company listed in the Colombo Stock Exchange. 70% of the company shares are owned by the Metropolitan Resource Holdings, 20% by the public and the balance 10% by employees. The company manages 28 plantations of which 11 are tea plantations in the central hills and the balance rubber cum tea plantations in the low country covering a land area of 16220 hectares. The 28 plantations are clustered into 10 plantation groups including Maha Oya, the focal point of the present case study.

The Mahaoya Group, located 56 kilometers away from the capital, is a low country plantation covering approximately 2006 hectares of land covering 64.7 square kilometers in Southwest Sri Lanka. The Group comprises 10 plantation divisions coming under three estates, Maha Oya, Woodend and Densworth. The principal product of the group is crepe rubber and the entire produce is exported. In 2001 the group recorded a production of 1.1 million kilograms of crepe and

centrifuge rubber. The total workforce of the group including managers and supervisors is 920. Of this number 65% are females. The workforce is highly unionised. Union membership is split among five trade unions affiliated to different political parties. Of the five unions, the Lanka Jathika Estate Workers Union (LJEWU), has the largest membership in the Maha Oya Group. The management team comprises the Group General Manager, who is the 'operations chief' of the Group, a Senior Manager and a Deputy Manager.

Productivity Enhancement and Labour Management Dialogue at BPL

Productivity enhancement and labour management dialogue are not totally new concepts to the BPL as they are among the 'core values' articulated by the top management. To give effect to them, the company initiated several programmes including the formation of estate worker housing and co-operatives (EWHCS), installation of water supply schemes and the formation of quality circles in factories to improve factory productivity and housekeeping. Most of these programmes were linked to several projects implemented in the plantation sector by the Plantation Reforms Project of the Ministry of Plantation Industries, Plantation Housing Social Welfare Trust (PHSWT) and several Non-Governmental Organisations (NGOs). Having recognised the potential benefits of these projects, the top management of company decided to implement them on a pilot basis in selected estate groups where the managers had shown a positive response.

Participatory Management Practices at Maha Oya

Maha Oya Group was one of the pilot units where multiple leverage points had been established to promote participatory management practices. The social dialogue project (SAVPOT) of the International Labour Organisation (ILO) was the latest of them. The selection of the group itself was an outcome of dialogue among the Chief Executive Officer, functional heads and the General Manager of the Maha Oya Group. Almost parallel to the social dialogue project, the worker education and training (WET) programme of CARE International launched under

the Plantation Reforms Project of the Ministry of Plantation Industries had commenced several activities to train managers and supervisory staff in participatory management practices. Similarly, with the intervention of the Plantation Housing and Social Welfare Trust (PHSWT), several institutional structures such as housing committees, water committees and an estate worker housing co-operative society had been established to improve housing and welfare facilities of the workers. In addition, quality circles had been established in the three rubber factories on the initiative of the managers. Another significant step was the formation of self-managed teams (SMTs) in the tapping fields. Led by the initiative of the group managers this step too had been taken almost parallel to the WET and SAVPOT programmes. While each of these projects had made its own share of contribution to build up participatory management practices, the group management welcomed the social dialogue project as they found it as an appropriate mechanism to co-ordinate all these efforts.

Orientation Phase of the Social Dialogue Project

The initial project meeting was held at the office of the group general manager with the participation of three other managers, nine branch union leaders representing several divisions of the Group and the National Project Co-ordinator (NPC). The meeting started with a briefing of project objectives and scope by the NPC. Thereafter, through a process of brainstorming the trade union representatives identified the following as the major issues of the Group as a business entity.

- ❑ Loss of revenue due to inadequate fertilisation, overgrown weeds, use of low quality tapping knives and poor welfare facilities for the workers
- ❑ Out-migration of estate labour for more attractive employment
- ❑ Low work motivation
- ❑ Poor communication skills of supervisors
- ❑ Absence of a sense of ownership of the estate among workers.

The session lasted for about 45 minutes and the managers deliberately kept away from it they felt that their presence might be an inhibition for the workers to express themselves freely. Soon after the session, the managers were called back to the meeting and were asked to review the list. While reviewing they noted that increase in income and employee welfare are inextricably linked to each other and productivity enhancement is a necessary condition to achieve both objectives. After further deliberation, a consensus was reached with the union representatives to implement the following measures to improve the overall performance of the estate while attending to the welfare needs of the workforce.

- Introduction of rain guards to the rubber trees as a means to improve worker attendance during rainy days¹
- Training of supervisory staff in the field and the factory in communication skills
- Re-roofing of worker dwellings on a self-help basis while the material will be provided by the management
- Introduction of a new production incentive scheme to enhance the individual earnings of the workers.

Finally, both parties agreed to hold monthly meetings to review progress and to consider new ideas and proposals.

Fine tuning and expanding the scope of dialogue

A delegation comprising the Group General Manager, Senior Manager and several workers participated in the first National Workshop on Workplace Co-operation through Social Dialogue held in March 2000. At this workshop the delegates presented a revised list of activities including those that were agreed upon at the initial meeting. Some of the new items included in the revised list were:

- Commissioning a pipe borne water supply scheme

- ❑ Opening bank accounts for all the workers
- ❑ Providing electricity to worker dwellings
- ❑ Supplying protective masks and helmets to factory workers
- ❑ Improving the nutritional status of workers
- ❑ Constructing a playground to improve physical fitness of the workers.

After further deliberation, the delegates decided to focus on four activities, which they saw as important in the short run, and formulated an action plan to deal with them. The four activities were:

- ❑ Introduction of rain guards
- ❑ Introduction of a wage system linked to latex intake
- ❑ Introduction of helmets and masks for factory workers
- ❑ Opening bank accounts for the workers.

The progress of the work plan was reviewed at the monthly meetings held subsequently. During these meetings managers took up two more proposals for discussion. One was the dissemination of 20 corporate values enunciated by the top management of the company and the other the development of a motto for the Maha Oya Group itself. While the monthly meetings were used as the main forum to review work progress through labor management dialogue, the managers and trade union representatives were invited again for the second national workshop on workplace co-operation through social dialogue held in November 2000. The objectives of this workshop were to provide an opportunity for the participating companies to:

- ❑ Present the achievements as per the action plans adopted at the first national workshop and
- ❑ Further revise them to continue the dialogue for enhanced enterprise performance.

¹ Rain guard is a polythene sheet wrapped around the trunk of the rubber tree to protect the tapping panel from getting wet due to rain. The practice has been adopted by several companies

In between the first and the second workshops, the scope of the dialogue had increased from 4 to 15 subjects, some of which were linked to projects other than the social dialogue project. Nevertheless, in presenting work progress the delegates observed that the social dialogue project had been instrumental in co-ordinating the varied activities implemented under different projects. Having recognised the potential for enhancing the scope of dialogue the delegates presented an action plan revised further. The revised plan focused on five more issues:

- Supply of pipe borne water to worker dwellings
- Supply of electricity to worker dwellings
- Rehabilitation and reconstruction of estate roads
- Dissemination of corporate values
- Assessment of leadership capabilities of employees through secret ballot.

The trade union representatives, who were somewhat docile and dependent on their managers during the first workshop, showed assertiveness during the second one. They played an active role in making presentations on behalf of the Maha Oya Group thus showing a sense of empowerment. This is particularly significant within the context of plantation management where historically little or no room had been provided to develop worker initiative or leadership skills.

Focus of Dialogue: Some Observations on the Process

There were mixed reactions toward the introduction of rain guards. Some trade union leaders who saw its negative impact on the sustainability of the rubber tree expressed reservations about its application. Others suggested the need to enforce strict quality standards in its implementation. Having considered such diverse views, a decision was made at one of the monthly meetings to set up rain guard committees comprising field officers, field supervisors and trade union leaders in each division to monitor its implementation. Where the trade union

managing rubber plantations to improve worker attendance on rainy days.

representatives were not still not convinced of the rain guard system, the Group General Manager declared his readiness to entertain alternative proposals and reward them if they are found economically viable.

Using social dialogue to introduce banking practices among plantation workers was a challenge as it was an alien practice to them. The main reason that prompted the managers to include this item in the social dialogue agenda was to cultivate savings habits among the workforce as a basic step in ensuring social security. Through this system the estate management envisaged the opening of bank accounts for all the workers and paying their wages through the bank. The initial reaction of the trade union representatives was rather negative as they felt that the average plantation worker, with his/her poor literacy would find the new experience very cumbersome. To alleviate their fear the management invited the local branch manager of one of the leading commercial banks to a subsequent monthly meeting. At this meeting the bank manager explained the potential benefits of opening bank accounts and special arrangements that could be made to take banking practices closer to the estate itself. Although his presence did not completely alter the perception of the union representatives, inviting him to the monthly meeting demonstrated the importance of involving third parties operating outside the organisational boundary to sustain the dialogue on certain crucial issues.

Expanding the scope of dialogue to cover corporate values was another significant event at the Maha Oya group. At one of the monthly meetings, managers moved a motion to develop a motto for the Maha Oya Group and requested the trade union representatives to come up with attractive captions. The trade union representatives took it up as a rewarding task. At the next monthly meeting managers and trade union representatives shared each other's thoughts and finally agreed on the motto. Translated literally, the motto reads as follows:

'Strength of Maha Oya hands earns gold to the nation'

Managers as well as union representatives felt that the motto has captured two realities of working life at Maha Oya: workers toil and that in turn brings the much needed foreign exchange to the country. The Group General Manager announced that steps will be taken to make all employees aware of the motto by displaying it on every building and vehicle owned by the Maha Oya group and most importantly by having it printed on employees' pay slips. This exercise, which was a unique event in the history plantation management in Sri Lanka, demonstrated the possible use of social dialogue as an instrument of harnessing the creativity of plantation workers, who virtually had no opportunities to participate in such exercises due to the wide gap that existed between the 'traditional estate superintendents' and themselves.

Using the dialogue to introduce a production incentive scheme assumed special significance particularly in enhancing productivity and the economic well being of the plantation workers. From a business point of view the main objective of the scheme was to increase the latex intake per rubber tapper. Under the new scheme, those who exceed 240 kilograms of latex per month were to be paid an additional sum of Rs. 15/- per kilogram. When the managers mooted the idea at a monthly meeting, the trade union representatives reacted with a great deal of caution as they were not very clear about the payment formula and the additional benefits of the scheme in tangible terms. Therefore the managers saw the need for awareness building among workers as a basic requirement to win their support and more particularly the local branch union leaders. The awareness building programme started at the monthly meeting itself when the Group General Manager and the Senior Manager explained the scheme using concrete examples. The trade union leaders in turn were expected to educate their own ranks at the divisional level with the help of field level management staff. The importance of commencing a dialogue particularly with the union leaders lies in the fact that wage negotiations in the plantation sector have always been carried with leaders of politically controlled unions at the national level who continue to dominate the plantation labour force. Instances are not rare when such

negotiations have failed resulting in prolonged strikes paralysing the plantation industry. The experience at Maha Oya suggests that while such negotiations are going on at the national level, there is room for managers and union leaders at the enterprise level (in this case the estate level), to use social dialogue to discuss compensation issues that can have an immediate impact on productivity and the economic well being of the workers.

In conceptual terms the focus of social dialogue at the Maha Oya Group can be captured under the following themes.

Box 1

| Focus of the Dialogue | Related Theme |
|--|---|
| Introduction of rain guards | Introduction of new technology/ Productivity enhancement |
| Opening of bank accounts for the workers | Social security |
| Re-roofing of worker dwellings | Employee welfare |
| Introduction of an incentive scheme linked to latex intake | Compensation practices |
| Development of a motto for the Group | Corporate values |
| Supply of water and electricity to worker dwellings | Employee welfare |
| Re-construction and rehabilitation of estate roads | Infrastructure development |

The Institutional Framework for Social Dialogue and Workplace Co-operation

The framework, which began to evolve with the introduction of various mechanisms under SAVPOT and WET programmes, has now been consolidated at three levels namely, the Tapping Field, Division and the Group. It comprises three overlapping mechanisms as explained below.

At the field level self-managed teams (SMTs) are in operation. Each team, comprising 5- 8 workers and an elected leader, is responsible for all the field operations including latex collection, quality maintenance of latex and of the tapping panel, fertiliser application and weeding in a given tapping field. In addition the SMT also serves as the immediate communication channel between the field officer and team members. The idea of setting up SMTs was mooted by the Senior Manager, but SAVPOT was used as an organisational strategy to implement it in a more systematic manner. By the end 2001, 61 SMTs were in operation.

At the next level are Divisional Meetings. The meeting, which is chaired by the field officer, brings together all the workers in the division, trade union leaders representing the division and supervisors into a common forum to discuss major operational matters relating to the division. A field officer from another Division is also invited for the meeting in order to promote horizontal learning. The meetings are held twice a month on the paydays. This arrangement has been made to ensure maximum attendance.

At the apex level is the Participatory Millenium Quality Circle. The composition of the Circle is as follows:

- ❑ Senior Manager (Chairman)
- ❑ Group General Manager
- ❑ Senior Assistant Manager
- ❑ Branch Trade Union Leaders
- ❑ Field Officers of all the ten divisions
- ❑ Leaders of self managed work teams in the ten plantation divisions

The circle, which meets monthly, is presided over by the Senior Manager of the Group. The minutes are kept by the Secretary who at present is a branch trade

union leader. Some of the main issues taken up for deliberation at this meeting are listed below:

- ❑ Sustainability of the rubber plantation
- ❑ Controlling the cost of production
- ❑ Out migration of workers due to low wages
- ❑ Planting high yielding clones to maintain a high level of land productivity

In addition, those issues that cannot be resolved at the divisional meetings are also brought to this meeting. There is some fluidity in the three three-tier structure as the consolidation process has become somewhat time consuming due to different levels of capacity of the constituent parties in the ten divisions to go through the learning process. An abstract model of the framework is depicted in Figure 1.

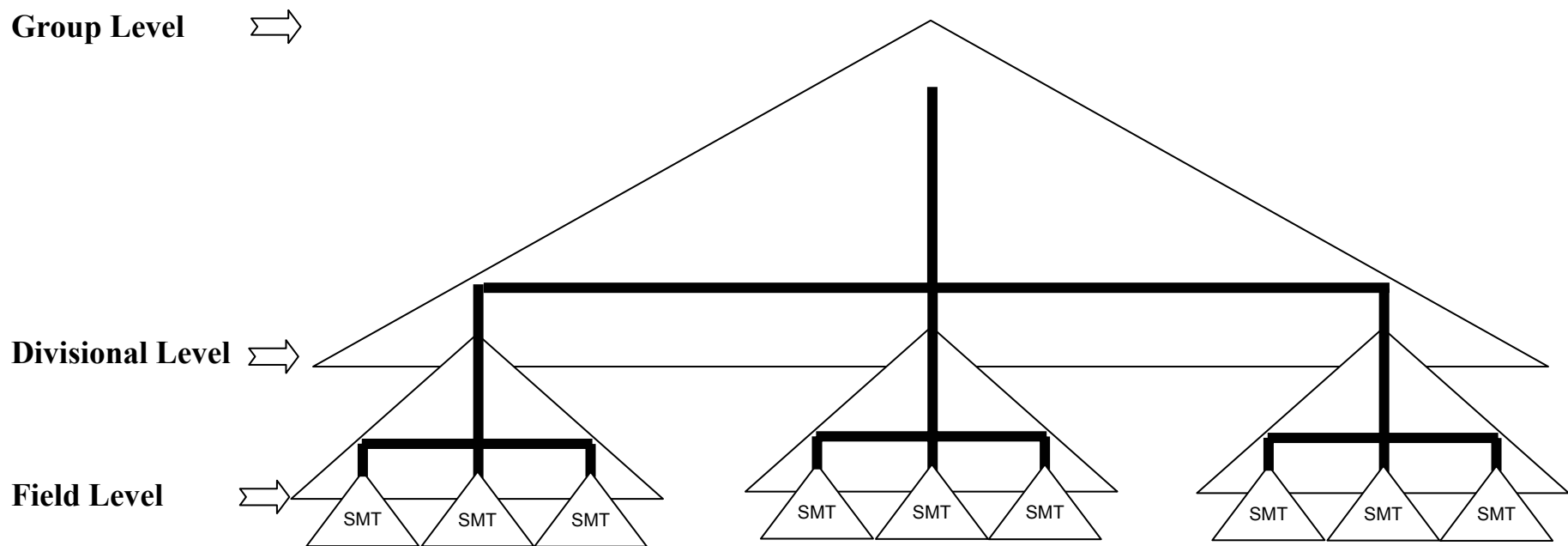


Figure I – Institutional Framework for Social Dialogue at Maha Oya

Impact of Social Dialogue

The measurement of the exact impact of social dialogue on productivity and quality of work life at the Maha Oya Group, is compounded by the parallel existence of several mechanisms of labour management consultation mentioned earlier. Thus the achievements attributed to the social dialogue project should not be treated in isolation, but within the context of several interventions, all of which had labour management consultation as a major theme. Nevertheless, as the social dialogue project was seen by the group management as a common thread that tied together these interventions, an evaluation of its achievements or any set backs could reveal its effectiveness as an integrative device in steering the labour management consultation process at Maha Oya if not the entire plantation sector. In the present study the evaluation was carried out using both 'soft' and 'hard' indicators. The soft indicators were used to measure the impact of the project on awareness creation and attitude change while the hard ones were used to measure any changes in productivity and quality of working life.

Awareness Creation and Attitude Change Among Workers

The evaluation was carried out using the information that had already been collected by the Senior Manager by means of a short structured questionnaire administered among 316 workers who were literate enough. The division-wise distribution of the respondent workers was as follows:

Table 1: Distribution of the Respondent Workers

| Division | No. of Respondents | % |
|------------|--------------------|------|
| Glassel | 23 | 7.3 |
| Ernan | 38 | 12 |
| Yogama | 81 | 25.6 |
| Uda Yogama | 07 | 2.2 |
| Woodend | 55 | 17.4 |
| Rangegama | 62 | 19.6 |

| | | |
|------------|-----|------|
| Nugahena | 32 | 10.1 |
| Talapitiya | 18 | 5.7 |
| Total | 316 | 100 |

Source: Questionnaire on Social Dialogue and Workplace Co-operation

Prior to administration, the contents of the questionnaire were reviewed and refined in consultation with the National Project Co-ordinator. The questionnaire comprised fourteen perceptual questions with forced choice answers - 'yes' and 'no' and a set of brief instructions including a specific request to consult the relevant field officer for any technical clarifications. The focus of the questions was on the following:

- Awareness of the ILO project
- Awareness of the social dialogue concept
- Belief in the possibility of resolving workplace issues through dialogue with management and co-workers
- Awareness of the concept of workplace co-operation
- Contribution of the two concepts towards effective interaction with management
- Workers' perception of the impact of the project on labour management consultation within the respective divisions
- Active contribution of the workers to the decision making process
- Workers' confidence in their ability to operate self managed teams (SMTs)
- Workers' own assessment of the adequacy of their knowledge in social dialogue and workplace co-operation.

The overall results are presented in Table 2 below.

Table 2: The Impact of SAVPOT on Plantation Workers Awareness and Attitudes

| Measurement Indicator | No. of Positive Responses | % | No. of Negative Responses | % |
|---|---------------------------|------|---------------------------|------|
| Awareness of the ILO Project | 270 | 85.4 | 46 | 14.6 |
| Awareness of the social dialogue concept | 280 | 88.6 | 36 | 11.4 |
| Awareness of the concept of workplace co-operation | 271 | 85.7 | 45 | 14.3 |
| Confidence in resolving workplace issues through social dialogue | 288 | 91.1 | 28 | 8.9 |
| Contribution of social dialogue to resolve workplace issues in the respective division | 266 | 84.2 | 50 | 15.8 |
| Effectiveness of social dialogue and workplace co-operation as tools for interacting with estate management | 271 | 85.7 | 45 | 14.3 |
| Impact of the ILO project on labour management consultation within the estate | 276 | 87.3 | 40 | 12.7 |
| Opportunities created by the project for workers' suggestions | 241 | 76.3 | 75 | 23.7 |
| Self-confidence in operating in self managed teams (SMTs) | 220 | 69.6 | 96 | 30.4 |
| Adequacy of knowledge on the two concepts (social dialogue and workplace co-operation) | 194 | 61.4 | 122 | 38.6 |

Source: Questionnaire Data

Discussion of Results

From a methodological point of view some degree of caution should be exercised in interpreting these results, as no baseline data were available for a strict comparison of 'before' and 'after' situations. Nevertheless, the overall results seem to suggest a positive impact of the project particularly in awareness creation and developing positive attitudes toward labour management co-operation. For instance, 85% of the respondent had indicated their awareness of the ILO project, 88% the concept of social dialogue itself and 85% the concept of workplace co-operation. The high level of awareness was due to concerted efforts made by the SAVPOT core team to disseminate information about SAVPOT and the ILO itself through meetings, seminars and poster campaigns within the ten divisions of the Maha Oya Group.² The poster campaigns turned out to be very effective especially since the plantation workers have little or no access to other facilities to gain knowledge about the ILO and its multifarious activities.

One of the most significant revelations is the workers' confidence in resolving workplace issues through dialogue (91.1%). With frequent strikes and other forms of labour agitation over wage issues, which are often led by politically powerful trade unions in the plantation sector, this should be considered as a unique achievement. As the results indicate, workers are of the view that unlike in the past social dialogue is being increasingly used to resolve workplace issues (84%). The introduction of grassroots level mechanisms such as self-managed work teams and divisional meetings to promote regular interaction with the field officers may have been instrumental in establishing such confidence.

Furthermore, the vast majority of the respondents (85%) have seen social dialogue and workplace co-operation as twin mechanisms to ensure an effective interaction with the estate management. As revealed during initial discussions

with branch trade union leaders at the commencement of the project, labour management style in the plantation sector provided very limited opportunities for such interaction as the flow of communication was mostly top down and one way. Under this system workers were compelled to be passive listeners. Those who became deviants often resorted to conventional union tactics such as strikes, go-slow and slackness in work. However, as the results show, the experience with social dialogue and workplace co-operation has made a profound influence on them to depart from these two conventional approaches.

An equally important observation is the workers' feeling of being consulted in making decisions on operational matters than ever before (87%). Such an assessment, coming from the workers themselves, is a sufficient proof of the contribution of the project towards strengthening labour management consultation.

In order to strengthen the consultative process, the management has initiated an employee suggestion scheme. Under this scheme each worker is expected to make at least one suggestion per week. Those who forward suggestions receive a written acknowledgement from the managers. Apart from strengthening labour management consultation, the scheme aims at tapping employee potential and creativity. This effort has produced encouraging results, but as the results indicate (75%) there should be greater efforts in future to induce workers to participate in the scheme.

These positive outcomes should not leave room for complacency as a good number of respondents still seem to lack adequate knowledge on social dialogue and workplace co-operation (38.6%). Although the SAVPOT core team has made a substantial effort to disseminate knowledge on the subject both within and outside the Maha Oya Group, the results reveal the need for a continuous

² Under the dissemination programme the core group conducted few workshops at Sapumalkande and Udabage Groups, located in the same region as Maha Oya and managed by

educational process to update workers on the concepts and practices of social dialogue and workplace co-operation. This may have to go hand in hand with a programme to further improve workers' confidence in operating the self-managed teams, which has been created by the management as a conduit for worker - management dialogue at the field level. There is a distinct need to put in more effort for this exercise as 30% of the respondents have expressed lack of confidence to manage these teams without depending on the supervisory staff.

Contribution towards Enhancing Productivity and Quality of Work Life (QWL)

In view of time and resource constraints in obtaining hard data from all the ten divisions, an in-depth case study was carried out in the Glassel Division to examine the contribution of the project toward enhancing productivity and QWL. The division was selected as it has had a history of poor labour management relations relative to other divisions prior to introducing project activities.

Measures of Productivity and QWL

Productivity enhancement was measured using the following indicators currently being used by the Group:

Latex intake per rubber tapper - a measure of labour productivity

Yield (volume of latex) per hectare - a measure of land productivity

Quality of Work Life was measured by two tailor made indicators developed by the management:

Rubber tappers' income

Rubber Tappers skills.

Background Information about Glassel

The division, which is 170 hectares in extent, has 125 hectares of mature rubber and 39 hectares of forest cover. The monthly production of the division is 11000

kilograms of latex and scrap rubber. It has a workforce of 75 of whom 60 are on the permanent payroll. 50% of the workers are resident on the estate. The field operations are under the direct supervision of a field officer and an assistant field officer who in turn report to the Senior Manager.

Prior to the ILO programme, Glassel division had a poor performance record both in terms of output and labour management relations. The division had a low yield with only 50% of the crop being tapped. The tapping fields had been very poorly maintained. Worker absenteeism was as high as 50% and there had been cases of theft and intimidation. Lack of discipline among workers was more the norm than the exception. The quality of relationship between management and workers was poor, as both parties did not trust each other. It was against this background that the field officer, welfare officer and the branch leader of one of the unions were roped into 'ILO meetings' (as it is popularly known among Maha Oya workers) held at the Group General Manager's office.

The take off

The field officer took the initiative to convene divisional meetings as a follow up to the 'ILO Meeting' at the group general manager's office. Leaders of eight self-managed teams, branch union leaders, welfare officer and the assistant field officer participated in these meetings which were conducted more in an informal than formal manner. The meetings focused not only on production related issues such as yield increase and weeding but also on labour issues including worker grievances and the out-migration of workers from the estate for more attractive employment. The meetings served two purposes. Firstly, a forum was created for a free exchange of ideas between the field officer and the workers, thereby obviating the need for immediate intervention of trade unions. Secondly, the meetings created an opportunity for all the parties to identify the issues that can be solved at the divisional level itself and those that need reference to the managers. The meeting has now become a permanent mechanism to facilitate the labour management consultation process in the Division.

Contribution towards Labour Productivity

Data on tapper intake for 2000 - 2002 are presented in Table 3 below.

Table 3: Increase in Labour Productivity

| Tapper Intake (per day) | 2000 | | 2001 | | 2002 (Upto August) | |
|----------------------------|-------------------|-----|-------------------|-----|-----------------------|-----|
| | No. of tappers | % | No. of tappers | % | No. of tappers | % |
| Over 20 kg. | 0 | 0 | 14 | 34 | 14 | 33 |
| Over 15 kg. | 0 | 0 | 15 | 37 | 17 | 41 |
| Over 10 kg. | 18 | 32 | 7 | 17 | 3 | 7 |
| Below 10 kg | 38 | 68 | 5 | 12 | 8 | 19 |
| Total | 56 | 100 | 41 | 100 | 42 | 100 |

Source: Divisional data - Glassel

As shown in the table there has been a marked increase in the daily tapping intake during 2001 - 2002. The increase is largely due to the production incentive scheme referred to earlier, which was implemented through a dialogue, that took place initially between the managers and the branch trade union leaders and subsequently between the trade union leaders and the rank and file workers.

Data on land productivity are shown in Table 4 below.

Table 4: Increase in Land Productivity

| Year | Yield Per Hectare (in kgs) | % Increase |
|------|----------------------------------|------------|
| 2000 | 733 | - |
| 2001 | 852 | 16.2 |
| 2002 | 1041 | 22.2 |

Source: Divisional data: Glassel

The moderate increase in land productivity as shown by results in the above table has been due partly to the increase in tapper intake and partly to improved field maintenance programme implemented through self-managed work teams.

Contribution towards Enhancing the QWL

Increase in Tappers' Income

Changes in tappers' income for three years are presented in Table 5 below.

Table 5: Changes in Tappers Monthly Income (in Rs.)

| Income Level | 2000 | | 2001 | | 2002 | |
|----------------|----------------|-----|----------------|-----|----------------|-----|
| | No. of tappers | % | No. of tappers | % | No. of tappers | % |
| Over Rs. 10000 | 0 | 0 | 0 | 0 | 2 | 5 |
| Over Rs. 7000 | 0 | 0 | 14 | 34 | 14 | 33 |
| Over Rs. 6000 | 0 | 0 | 15 | 37 | 13 | 31 |
| Over Rs. 5000 | 2 | 3 | 5 | 12 | 6 | 14 |
| Below Rs. 5000 | 54 | 97 | 7 | 17 | 7 | 17 |
| Total | 56 | 100 | 41 | 100 | 42 | 100 |

Source: Divisional Data: Glassel

It is no secret that the increase in tappers income in 2001 and 2002 over 2000 has been primarily due to the introduction of the production incentive scheme. What is prominently seen in these figures is the drastic reduction in earnings below Rs. 5000/- in 2001 and 2002. Therefore it is reasonable to assume that by securing the commitment of workers for the speedy implementation of the incentive scheme, the project has made an indirect contribution to increase

worker income. Predictably, insufficient income was one of the grievances that had led to a high rate of labour out-migration.

Changes in Tappers' Skills

At Maha Oya the rubber tappers are graded into three categories on the basis of attendance, punctuality, work attitudes, health, tapping skills and the quality of maintaining the tapping utensils. The general characteristics of the three categories are as follows:

Category A

Attendance of 85% and above, strict punctuality, positive work attitudes, superior tapping skills, good health, Proper maintenance of tapping utensils

Category B

Less than 85% attendance, general punctuality with occasional tardiness, average work attitudes, average health, satisfactory tapping skills and average maintenance of tapping utensils

Category C

Less than 80% attendance, lack of punctuality, poor work attitudes, average tapping skills, poor health, and poor maintenance of tapping utensils.

Admittedly, all except attendance are subjective factors and details of specific measurement devices were not available at the time of the study. Changes in tapper skills during 2000 - 2002 are shown in Table 6.

Table 6: Changes in Tappers' Skills

| Skills category | 2000 | | 2001 | | 2002 | |
|-----------------|----------------|-----|----------------|-----|----------------|-----|
| | No. of tappers | % | No. of tappers | % | No. of Tappers | % |
| A | 12 | 21 | 21 | 50 | 28 | 67 |
| B | 22 | 40 | 13 | 32 | 9 | 21 |
| C | 22 | 39 | 7 | 18 | 5 | 12 |
| Total | 56 | 100 | 41 | 100 | 42 | 100 |

Source: Divisional Data: Glassel

On the whole the results indicate a 46% increase in A category workers and a 27% decrease in C category workers between 2000 and 2002. There was no tangible evidence to locate the exact reasons for this change, but as explained by the field officer, the opening up of channels for regular labour management dialogue has created a climate conducive to generate a higher degree of work commitment than in the past.

Concluding Remarks

Findings of this study have both theoretical and practical implications. From a theoretical point of view, the study has lent further support to the growing research evidence on the positive impact of participatory management practices on labour productivity improvement in the plantation sector in Sri Lanka. Apart from the theoretical validity, the finding is an eye opener for plantation managers, some of who continue to be skeptical of the desirability of moving towards participatory style of labour management. Secondly, the experience at Maha Oya has highlighted very convincingly the role of social dialogue in tapping the hidden potential of plantation workers who had been conventionally treated as less literate than the industrial worker, passive and over-dependent on superiors. The development of the group motto through dialogue poses serious challenges to these conventional assumptions. Finally, the study has demonstrated that to some extent the sustainability of institutional structures for social dialogue such as SMTs would depend on the ability and the confidence of the plantation workers to enact the new roles expected of them. As revealed by questionnaire results, both their ability and confidence need further improvement. Hence a long-term investment in capacity building appears to be an absolutely essential requirement to sustain social dialogue.

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