

# Impact of Management Styles on the Productivity (Perception) of Tea Plantation Sector in Sri Lanka

Kuranage Anton Rohan Christin Perera<sup>1</sup> Shukri Ab Yajid<sup>2</sup> Ali Khatibi<sup>3</sup> Suranga Silva<sup>4</sup>  
Isuri Dharmarathna<sup>5</sup>

1. Reading for PhD at Management and Science University Colombo Branch – Sri Lanka

2. Management and Science University -Malaysia

3. Management & Science University – Malaysia

4. University of Colombo, Sri Lanka

5. Business Management School (BMS) – Sri Lanka

## Abstract

Topic of this research is very much up to date and need a solution to one of the burning issues of the Sri Lankan Plantation Sector. There is limited literature available on the topic of this research impact of Management Styles on the Productivity of Plantation Sector in Sri Lanka. While going through the existing literature of the topic of this research, several variables pertaining to the issue has been explored. The variables under scrutiny of this research are Management style as the independent variable and productivity as the dependent variable. Job Satisfaction plays the role of the mediating variable and Organizational Culture plays the role of moderating variable. This conceptual frame work will enhance the body of knowledge existed so far, so that this research will be a launching pad for future research.

**Keywords:** Management Styles, Productivity, Job Satisfaction, Organizational Culture.

## Introduction

Tea as a plantation export, has been playing an imperative role in the developments of socio and economic aspects of Sri Lanka. Even after almost 150 years, tea plantation is a part and parcel of the country's socio- economic structure. The significant contribution of tea in the export earnings of this country and as the biggest job opportunity creator has done a remarkable service to this country. Sri Lanka is known for quality Ceylon tea throughout the world and the tea of this country was and is in a position to carry higher prices than its global peers. At one point of time in the history, Sri Lanka was known to be the leading tea exporter of the world (De Silva, 2015).

The main problem is ever since the change of styles in management in the tea plantations, suffered a huge loss in the tea production that led to the declining of the productivity of the tea plantation. The production cost of tea has been very high in Sri Lanka. As a result, the productivity continues to remain low and several factors have contributed for this situation: When the cost of production remains high, the production and the productivity levels are low, thus the competitiveness of the Tea Plantation sector tends to diminish. Plantation industry may get discouraged and thus the industry may collapse in the near future. The labourers do not get good wages and the unions will demand for higher wages on par or less than the cost of living. Thus, a research in this condition is essential to find out the cause for it. No entrepreneur will invest in the plantation sector if this sector collapses. Thus, almost one million people may lose their jobs and a million of people who depend on the industry indirectly may lose their livelihood sooner or later.

## Management Styles

Management style is the independent variable of this research. Grimsley, S (2017) has mentioned that management styles mean an institution is capable of handling employees, assigning tasks to them and formation of characteristics of the employees, engaging them in various activities and training them in the organizational culture. Schleh (1977) was quoted in Nwalandukwe et al (2012) expresses that management styles bond various managerial actions together. It is a batch of principles (philosophy) that supports the manager to capitalize on the aptitudes of the work force. Management Styles do not mean set of guidelines but supports the management presenting boundaries to work on. Management style is a mode of life which allows those who are in higher positions to depend on the creativity of the employees of the organization. A successful management style should effectively build teams to motivate employees.

## Productivity

Dolage & Chan (2013) expressed that Productivity is a measure of the efficiency of production. Doing things faster is a typical example of productivity while speed may indicate higher productivity. But in reality, the outcome could be disappointing if the focus is wrong. Productivity means the availability of input to produce one unit of what is produced. What is used to produce are labor, capital and what is produced is measured by the income received and Gross Domestic Products. Productivity is an average measure used for production efficiency. It is the ratio of

output to inputs used in the production process (Ramaila, 2011; Mozumdar, 2012).  
**Management Styles and Productivity**

Management of any organization is the bedrock of high productivity. Profitability, employability and productivity in any organization will be a mirage without proficient management. The combination of machine, material, money (capital) and human resources have to be in reasonable proportion in any organization. Management (through human ingenuity and entrepreneurship skills) should be able to achieve tactfully combine optimum productivity in any organization through human and material resources. Successful managers whose ultimate aim of bringing out the best in employees are those managers who are able to study their workers, the work environment and tactful use of their administrative acumen to satisfy their employees. High productivity is impossible without effective job satisfaction. What would give utmost job satisfaction to their employees in a given work environment is to study to the full, identify and what is provided by management. This is the secret to high productivity and profitability in any organization. No matter how automated an organization might be, high productivity is still dependent on the effective management of the work force (Tella, Ayeni and Popoola, 2007, Ndagana, (2007), Kampert,(2008), Shahzad, Mumtaz, Hayat and khan, (2010).

### **Job Satisfaction**

Job satisfaction is a multifaceted concept with no agreed definition (Coomber & Barriball, 2007). Kuo, Yin, & Li, (2008) reveal that it is conceptualized and measured differently across studies, with some focusing on intrinsic factors such as achievement, recognition, advancement, the work itself, and others on extrinsic factors such as relationships at work, working conditions, and compensation. The conceptualized job satisfaction is expressed more specifically in terms of pay, benefits, and chance for promotion (Bishop et al., 2008). Their research on the relationship between this measure of job satisfaction and other components of job satisfaction (e.g., job autonomy, teamwork, and supervision) found positive associations between job satisfaction and relations with supervisors and intent to stay. Furthermore, intent to stay was linked to satisfaction with relationships to staff and their reports of quality of life (Bishop et al., 2008). Klassen R.M et al (2010), identified promotion, pay, supervisory support, team cohesion and the job requirements itself as the prime factors of job satisfaction.

### **Organizational Culture**

The organization culture is what the members of the organization believes in, the way they sense, the way they act, and how do they express themselves through symbols and signs that is the identity of the institution. Further, "culture of the organization is defined as shared wisdom, opinion, in which they express their faith, sensing, build their thoughts on, hopes, the way they behave, the things on which they set examples and what they appreciate" (Schein, 2011). Stewart (2007) quoted in Abu-Jarad, I. J (2010) expresses that making profits is the target of any profit venture. If somebody wants to make progress in an organization, it is advisable to examine the culture. Most powerful part of the culture of an organization is the attitudes and what they believe in. Finally, it is the people who make up the culture.

### **Mediator and moderator effects on impact of the Management Styles on the Productivity of Tea Plantation Sector**

It is found that there is a direct relationship between management styles and job satisfaction (Ogunola et al 2013, Romle, A. R, 2006, Emhan, A, 2012, Mehrad, A, 2015), and the discoveries of these studies have shown that there is a close affinity or positive relationship between these two variables.

High productivity is impossible without effective job satisfaction. What would give utmost job satisfaction to their employees in a given working environment is to study to the full, identify and provide by management. This is the secret to high productivity and profitability in any organization. No matter how automated an organization might be, high productivity is still dependent on the effective management of the work force (Tella, Ayeni and Popoola, 2007).

Ndagana, (2007), Kampert,(2008), Shahzad, Mumtaz, Hayat and khan, (2010) quoted in Okiki Management could efficiently manage and motivate the work force for optimum productivity with the following items such as satisfying wages that are commensurate with the job done could be given.

A study shows an increase in the establishment's average level of employee job satisfaction on productivity is positive, but its magnitude varies depending on the specification of the model (Böckerman, P & Ilmakunnas, P, 2012; Gil. R et al, 2015). Adenike, A (2011) states when the employees see that his or her expectations are not met in the job environment, the job dissatisfaction emerges which leads to the decrease of workforce productivity, organizational commitment, commitment to the job and increase in the rates of the optional discontinuation of the job (Santhapparaj, Srini and Ling, 2005; Payne and Morrison, 2002; Redfern, 2005 and Denizerg, 2008; Gellatly, 2005; Sagie, 2002). Lower job satisfaction in the servers has been observed to bring about neurotic (insomnia and headache) and emotional negativity (stress, disappointment) (Denizer, 2008).

Chiu, W.Y.B & Ng, F.F (2015) and others considered job satisfaction had a mediation effect on the

relationship between some independent variables and some others claimed that job satisfaction directly affected organizational commitment. Imran, R, Majeed, M and Ayub, A (2015) narrates that their article “titled Impact of Organizational Justice, Job Security and Job satisfaction on Organizational Productivity” is done to explore the relationship between job security, organizational justice and organizational productivity with the mediating role of job satisfaction.

While a good number of studies indicate the relationship between the management styles and job satisfaction, this study takes the job satisfaction as the mediatory variable. Irandegan, M.H et al (2015) reveals that there is a close relationship between management style, productivity and job satisfaction. Even though the position of the variable varies (whether the variable is dependent, independent, moderator or mediating) in their study, this research has found close association between these three variables. Irandegan’s study further emphasizes that managers must be given the necessary training and awareness to select the appropriate management style for their schools in order to increase productivity and to give the necessary job satisfaction they need.

There are articles including organizational culture which covers all the variables this topic is spoken of but their place of the research frame work is different. For example, Gharibvand, S (2012)’s article titled “The Relationship between Malaysian Organizational Culture, Participative Leadership Style, and Employee Job Satisfaction among Malaysian Employees from Semiconductor Industry” has considered two independent variables (Organizational Culture, Participative Leadership Style), two moderating factors (Gender of Managers and Workplace Cities) and a dependent variable (Employee Job Satisfaction). Filipova, M.K (2012) mentions in her article Management Style as the independent variable and the Organizational culture as the dependent variable. Zabihi, G.A (2013) has taken organizational culture as the independent variable and the Management Styles as the dependent variable. The articles such as Wowor, R & Psi, M (2014) in their article title “The Moderating effects of Organizational Culture on the impact of Servant Leadership and Job Satisfaction on Community Policing Officer’s Job Performance” talks about the moderating effects of the organizational culture.

## Methodology

The variables of this topic need to discuss through the empirical explorations. As a result of it, explorations of existing literature need to recognize the concepts and their interconnections to the topic concerned in this research. A considerable number of abstracts and articles 400 in total concerning the topic were searched through in order to verify the interconnections.

## Gaps, Conceptual Frameworks and other concerned variables Contributed to the Impact of Management Styles and Productivity Conceptual Model

### Gap One on the Management Styles and Productivity

Various researches have been carried out in different organizational settings in various countries by using different methodologies on the topic management styles. While many studies have found out the relationship between various management styles and productivity (Femi, A.F & Chukwubueze, A.O, 2015; Tchachet et al, 2014) but there is lack of comprehensive study done on this topic thesis as to why respective management styles behave differently with regard to productivity. It was found that there is a literature gap in the Sri Lankan Literature on the empirical knowledge available about testing the direct relationship between Impact of Management Styles and Productivity in the Tea Plantation Sector. (Please refer to Figure 1) According to Figure 1, Management Styles are measured through Productivity.

### The direct relationship between management styles and productivity has been studied to a limited extent in the Tea Plantation Sector in Sri Lanka

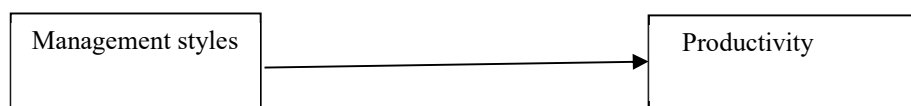


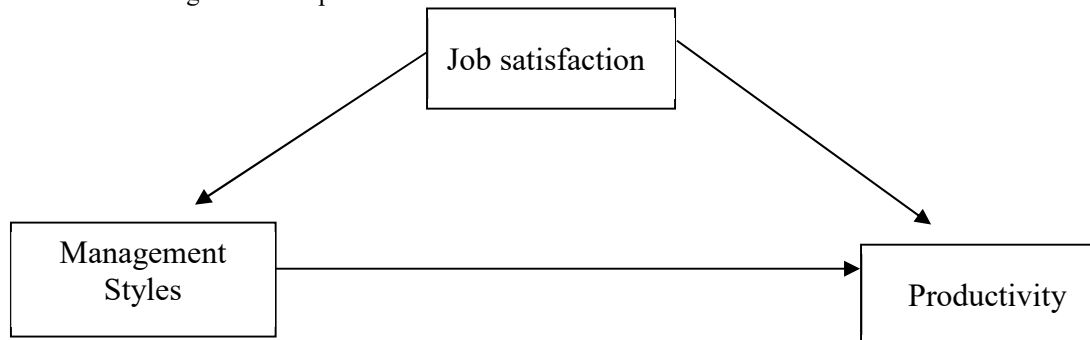
Figure 1. Gap one in Management Styles and Productivity

### Gap two is on Mediator Variable Related Studies

Tella, A (2007) mentions that motivation and job satisfaction act as independent variables and the role of dependent variable plays as job commitment. Emhan, A (2012) mentions that managerial support work as the independent variable and job commitment as the dependent variable. In this research job satisfaction works as the mediatory variable. Jyoti, J (2013) mentions in her article organizational climate and intention to leave as independent and dependent variables respectively. Job commitment and job satisfaction plays the role of mediatory variable. Susang, Z (2012) presents in her research paper Fairness Perception as the independent variable and Job Satisfaction as the dependent variable. Yeh, H (2012) states that commitment as the independent variable,

leadership style as the dependent variable. Usman, Z.B & Uli, J (2014) transformational and transactional leadership styles as independent variables and job commitment as the mediator while job satisfaction as the dependent variable.

The mediating relationships have been studied to a limited extent



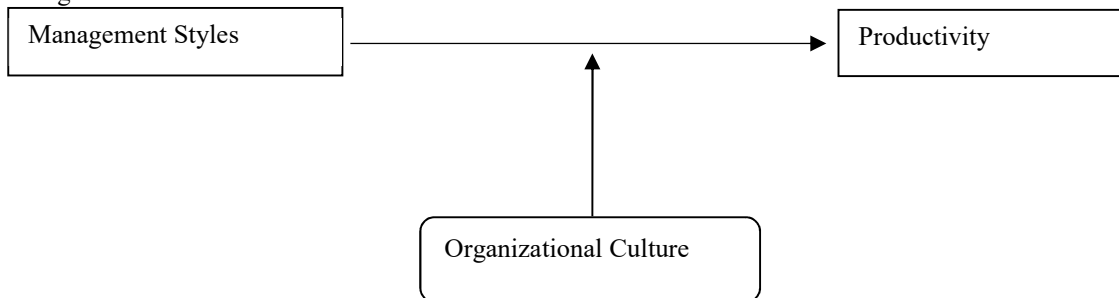
**Figure 2. A Proposed Model of Mediator Variable**

There are shortage of articles to find out the mediator’s or intervening variable on job satisfaction and Management Styles and productivity in view of the Plantation sector in Sri Lanka. There is a vast research area open to the researchers to look into in time to come.

**Gap Three in the Moderator Variable**

The exogenous and endogenous variables of this thesis is management styles and productivity respectively but organizational culture has been chosen as the moderate effect. Filipova, M.K (2012) mentions in her article Management Style as the independent variable and the Organizational culture as the dependent variable. Zabihi, G.A (2013) has taken organizational culture as the independent variable and the Management Styles as the dependent variable. Wowor, R & Psi, M (2014) in their article title “The Moderating effects of Organizational Culture on the impact of Servant Leadership and Job Satisfaction on Community Policing Officer’s Job Performance”.

The existing knowledge gap has been realized even though the prior studies have been conducted in the Tea Plantation sector in Sri Lanka. Given literature available to the researcher reveals that there is a wide gap between theoretical and empirical explanations of the researches done in the past. This study has tried to fill the gap which is existing in this field.

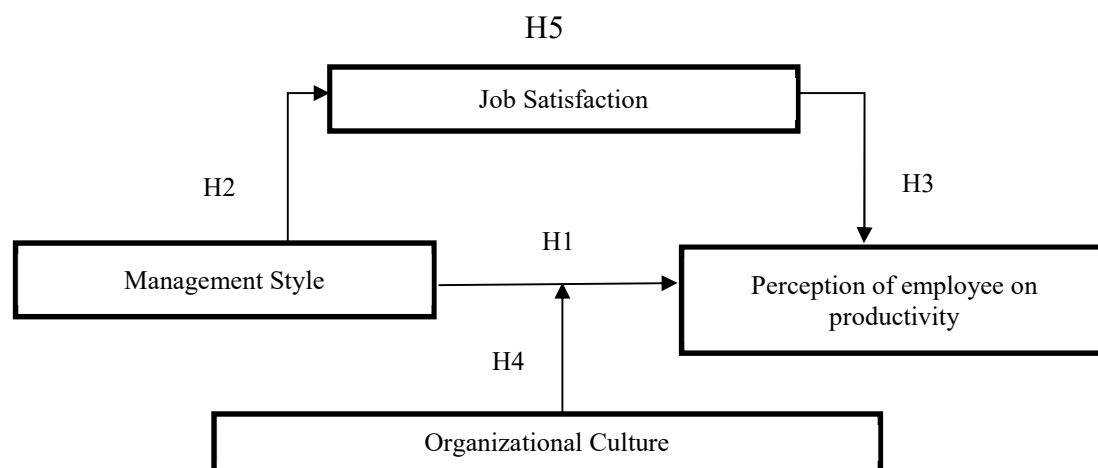


**Figure 3. The moderating relationships have been studied to a limited extent**

**Gap Four in Management Styles Related Studies**

The variables of the conceptual model is the result of thorough investigation of the literature review applicable to the concerned research problem.

The construct variables of this study is Management Styles, Productivity, Organizational Culture and Job Satisfaction. It was not found in the literature a single model with above mentioned variables. This effort of research may try to fill the gap existing in the literature (figure 4).



All variables in a single model have been studied to a limited extent  
Figure 4. Relationships of the study variables

### Conclusion and Recommendations

Figure 4 presents to us the intricate and interdependent relationship between the variables such as Management Styles, Productivity, Job Satisfaction and Organizational Culture in the Sri Lankan Plantation Sector.

Job Satisfaction plays the role of mediator for the Management Styles and Productivity. Organizational Culture plays the role of moderator variable for Management Styles and Productivity. There is a lack of comprehensive body of knowledge in the research fields concerning this research even though this is to be tested empirically. The interactions concerning the conceptual framework will contribute definitely to the enhancement of the body of knowledge which will be used for the future research. It is realized that there is a knowledge gap among the gap one on the Management Styles and Productivity, gap two is on Mediator Variable Related Studies with MS and P, Gap Three in the Moderator Variable related studies with MS and P and Gap Four in Management Styles Related Studies with job satisfaction, organizational culture and productivity. This research will definitely contribute to the enhancement of the knowledge of the topic of the research.

### Reference:

- Adenike, A. (2011). Organizational Climate as a Predictor of Employee Job Satisfaction: Evidence from Covenant University. *Business Intelligence Journal - Vol.4 No.1*. pp. 155-165.
- Abu-Jarad et al., (2010), I.S. Abu-Jarad, N.A. Yusof, D. Nikbin. A Review Paper on Organizational Culture and Organizational Performance. *International Journal of Business and Social Science*, 1 (3) (2010), pp. 26-46
- Bishop, C, E., Squillace, M.R., Meagher, J., Anderson, W, L., Wiener, J, M. (2009) Nursing Home work practices and nursing assistant's job satisfaction. <http://aspe.hhs.gov/daltcp/reports/2009/NHwork.pdf>.
- Bockerman, Petri., Pekka Ilmakunnas and Edvard Johansson (2011) Job security and employee well-being: Evidence from matched survey and register data, *Labour Economics* 18:547-554.
- Chiu, W, Y, Ng, F, F. The Mediation Influence of Job Satisfaction on Organizational Commitment amongst Quantity Surveyors. *Construction Economics & Building*. 2015, Vol. 15 Issue 1, p56-74. 19p. <http://web.a.ebscohost.com>.
- Coomber. B<sup>1</sup>, Barriball, K.L.(2007). Impact of job satisfaction components on intent to leave and turnover for hospital-based nurses: a review of the research literature. *Int J Nurs Stud*. Feb;44(2):297-314. <https://www.ncbi.nlm.nih.gov/pubmed/16631760>.
- Dolage, D. A. R. & Chan.P. (2013). *Productivity in Construction-A Critical Review of Research*. ENGINEER - Vol. XXXXVI, No. 04, pp. [31-42], The Institution of Engineers, Sri Lanka.
- De Silva, L.I., (2015). Can RPC managed plantations be turned around? <http://www.dailynews.lk>.
- De Silva, J.G. (2015). Tea Industry in Crisis: Who is deceiving whom? <http://www.thesundayleader.lk>.
- De Silva, L, I. (2013). Sustaining Sri Lanka's tea sector is important for the country's future. <http://www.sundaytimes.lk>.
- Denizer, D.(2008). Accidents at Work and Work-Related Health Problems by Sex, Status, Age and Severity. *Journal of Health Management*. 26(2), 721-760.
- Emhan, A. (2013). Relationship among Managerial Support, Job Satisfaction and Organizational Commitment: A Comparative Study of Nonprofit, For-Profit and Public Sectors in Turkey. *International Journal of Business, Humanities and Technology*. Vol. 2 No. 5. [http://ijbhtnet.com/journals/Vol\\_2\\_No\\_5](http://ijbhtnet.com/journals/Vol_2_No_5).
- Femi, A.F, Chukwubueze, A.O. (2015). *Influence of Management Style on Workers' Productivity in Nigeria*

- Machine Tools, Osogbo, Osun State, Nigeria*. International Journal Of Innovative Research & Development. Vol 4 Issue 4. ISSN 2278 – 0211 (Online). Pp. 74-80.
- Filipova, M ,K. Interaction Between Management Style and Corporate Culture in Tourism. Book of Proceedings – Tourism and Management Studies International Conference Algarve. vol.2 ISBN 978-989-8472-25-0 © ESGHT-University of the Algarve, Portugal.
- Grimsley, S (2017). Management Styles: Definition, Theory & Types. <http://study.com>.
- Gharibvand, S. (2012). The Relationship between Malaysian Organizational Culture, Participative Leadership Style, and Employee Job Satisfaction among Malaysian Employees from Semiconductor Industry. International Journal of Business and Social Science, 3(16), 289–298.
- Imran, R., Majeed, M., Ayub, A. ( 2015). Impact of Organizational Justice, Job Security and Job satisfaction on Organizational Productivity. Journal of Economics, Business and Management, Vol. 3, No. 9. Pp. 840-845.
- Irandegan, M,G., Irandegani, Y., Irandegan, M,G. (2015). The Relationship between Management Styles and Job Satisfaction of the Elementary Schools' Teachers in Khash City. Biological Forum – An International Journal 7(2): 165-171. ISSN No. (Print): 0975-1130 ISSN No. (Online): 2249-3239.
- Klassen, R.M. and Chiu, M.M. (2010) 'Effects on teachers' self-efficacy and job satisfaction: teacher gender, years of experience, and job stress', Journal of Educational Psychology, Vol. 102, No. 3, pp.741–756.
- Kuo HT<sup>1</sup>, Yin TJ, Li IC. (2008). Relationship between organizational empowerment and job satisfaction perceived by nursing assistants at long-term care facilities. J Clin Nurs. 2008 Nov;17(22):3059-66. doi: 10.1111/j.1365-2702.2007.02072x.
- Ogunola A, A., Kalejaiye, P,O, & Abrifor, C,A. ( 2013). Management style as a correlate of job performance of employees of selected Nigerian brewing industries. African Journal of Business Management. Vol. 7(36), pp. 3714-3722, DOI: 10.5897/AJBM2013.7165 ISSN 1993-8233 © 2013 Academic Journals <http://www.academicjournals.org/AJBM>.
- Mehrad, A. (2015). Conflict Management Styles and Staff Job Satisfaction at Organization. Journal of Educational, Health and Community Psychology Vol. 4, No. 2.
- Mozumdar, L. (2012). *AGRICULTURAL PRODUCTIVITY AND FOOD SECURITY IN THE DEVELOPING WORLD*. Bangladesh J. Agric. Econ. XXXV, 1&2, 53-69.
- Nwadukwe, U, C. & Timinepere, C, O. (2012). *American International Journal of Contemporary Research* Vol. 2 No. 9. Pp. 198-204.
- Nwadukwe, Uche .C and Court Ogele Timinepere. (2012). Management Styles and Organizational Effectiveness: An Appraisal of Private Enterprises in East Nigeria. American International Journal of Contemporary Research, 198-203.
- Ramaila, M., Mahlangu, S., Toit, D, D. (2011). *Agricultural productivity in south africa: LITERATURE REVIEW*. Department of Agriculture Forestry and Fisheries.
- Schein, E. (1995). *Organizational culture and leadership*. San Francisco: Jossey-Bass.
- Sušanj, Z, Jakopec, A. (2012). Fairness Perceptions and Job Satisfaction as Mediators of the Relationship between Leadership Style and Organizational Commitment. Psychological Topics 21, 3, 509-526.
- Tchapchet, E., Iwu, C. & Allen-Ile, C. (2014). Employee participation and productivity in a South African university. Implications for human resource management. *Problems and Perspectives in Management*, 12(4), 293 – 304.
- Tella, A, Ayeni, C,O, Popoola, S,O. (2007). Work Motivation, Job Satisfaction, and Organizational Commitment of Library Personnel in Academic and Research Libraries in Oyo State, Nigeria. Library Philosophy and Practice (e-journal). Paper 118. <http://digitalcommons.unl.edu/libphilprac/118>.
- Wowor, R. (2014). The Moderating Effects of Organizational Culture on the Impact of Servant Leadership and Trust on Job Performance of Community Policing Officers. International Conference on Economics, Social Sciences and Languages (ICESL'14) May 14-15.
- Zabihi, G, A (2013). Culture and management style: A study of differences of Chinese and Swedish management style from Swedish perception. Master of Science Thesis Stockholm.