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A study of productivity factors in the Sri Lankan raw rubber industry (Estate sector)

Pradeesha C Warnasooriya*

National Science Foundation, Colombo 07, Sri Lanka

Rubber is an industry of strategic importance to Sri Lanka as it is one of the top ten producers and exporters of rubber in the world. Rubber has become an essential part of our lives and its uses are ranging from the simple rubber eraser to the tire of airplanes. Further Sri Lanka is having a long rubber growing history being the cradle of Asian rubber industry with ideal climatic and physical conditions which allow for the growth of very high quality rubber. On the manufacturing front, Sri Lanka is the world's leading supplier of solid rubber tires for off-road vehicles. However National yield levels, which have been on a declining trend since 1996, continued to drop further and declined by 4% and reached the lowest level ever on record in 2001, though Sri Lanka is bestowed with rich resources of natural rubber and other process materials.

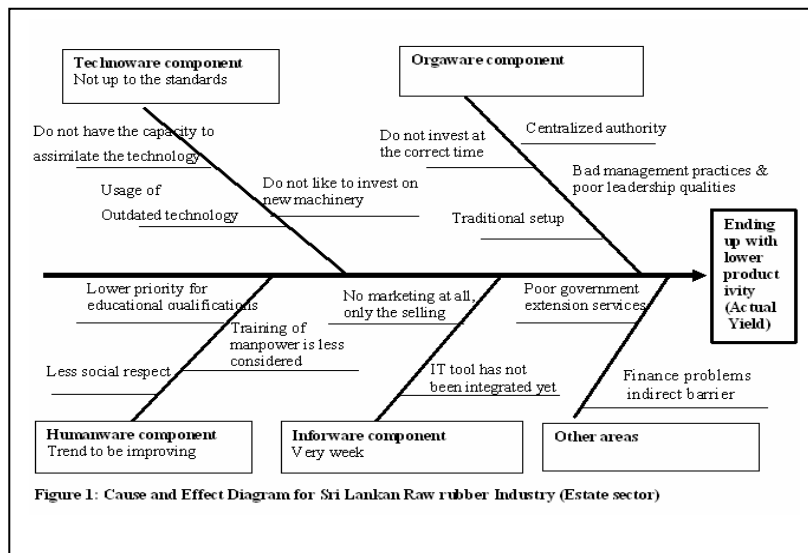


Figure 1: Cause and Effect Diagram for Sri Lankan Raw rubber Industry (Estate sector)

So it is obvious that there is a burning problem in the raw rubber industry i.e. rubber plantation and processing sector. Therefore a detailed study was carried out to identify the factors that affected lower production, especially the productivity of raw rubber industry measured by annual yield per hectare. Study has shown that technology contribution coefficient of Sri Lankan raw rubber industry is very low compared to the global industry leaders like

Malaysia, Thailand and India and that has resulted in a lower productivity of rubber growing industry. Further it was found that lower status of Infoware, Orgaware, Humanware and Technoware factors (e.g. lower stand) have affected productivity of the Sri Lankan raw rubber industry. Factors that affected the lower status of each technology component were evaluated with the qualitative techniques like, SWOT analysis, value chain analysis and cause and effect diagrams. It was found that lower consideration given to workforce; especially training and retraining facilities for the workforce, poor management practices due to poor managerial competencies and rigid organizational structure have become major drawbacks of this industry.

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*pradeesha@nsf.ac.lk

Tel: 011-2676766