PROBLEM OF LABOUR SUPPLY: A CASE STUDY ON
MAYANG TEA PLANTATION

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FACULTY OF SOCIAL SCIENCES
UNIVERSITI MALAYSIA SARAWAK
1997
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This graduation exercise is submitted in partial fulfilment of requirements for the degree in Bachelor of Social Sciences (Hons.) Industrial Relations and Labour Studies

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1997
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ACKNOWLEDGEMENT

I would like to express my gratitude and appreciation to my supervisor, Prof Madya Dr Abdul Rashid bin Abdullah for giving me valuable guidance and advice in doing and completing this graduation exercise. He has been very patient and supportive throughout the period of completing this exercise.

This also goes to all lecturers, especially Dr Gabriel Tonga Noweg, who have generously given me their assistance in one way or another in completing this exercise.

I would also like to thank the management and staff of Mayang Tea Plantation, particularly, Mr. Patrick Tom - Manager of Mayang Tea Plantation, for being so helpful during my stay for about 10 days at the plantation, and for providing me the assistance in the process of completing this exercise.

Next, I am very grateful to my mutual understanding friend, Mr. Lai Hon Meng for being there for me and for giving useful opinion and suggestion to improve and complete the exercise. In fact, he was the one who suggested to me to take Mayang Tea Plantation as my study as he also found it an interesting situation to look upon.

Appreciation also goes to all friends, and colleagues who have involved directly or indirectly in finishing this exercise.
Last but definitely not the least, I would want to dedicate this Graduation Exercise to my beloved parents Mr. Lee Eh Hock (P.A.) and Mdm Chua Thiam Chu (M.A.), also to my brothers - Mr. Lee San Kee (A.T.I.), Mr. Lee Leong Kee (A.N.I.), and Mr. Lee Han Kee (P.A.U.). They have all been wonderful and supportive throughout my years of being here in this world, and I believe this will continue until the rest of my life.

Lee Ee Phing (C.E.)
March 1997
ABSTRACT

This study was based on the case of Mayang Tea Plantation, an in-situ land development project by SALCRA, involving local participants in the management and implementation of the project. The participants or in this case, also the workers, were mostly traditional farmers who did not adopt the modern concept of work, where work disciplines, time limitation and the need to ensure of quality are crucial.

Having them to involve in this new kind of work environment would mean trying to shift their concept of work from an unorganised system to a more organised and regimented system. Obviously, this is not an easy task, and in the process, a lot of problems concerning labour might occur.

This study attempts to explore the main factors influencing the effectiveness of the plantation operation. Issues of the environment, social, culture and religion, economics, and workers perceptions of various aspects of work were covered in determining the main factors contributing to labour problem in Mayang Tea Plantation.
ABSTRAK

Kajian ini merupakan satu kajian kes berdasarkan Mayang Tea Plantation, sebuah projek pembangunan tanah in-situ yang dijalankan oleh SALCRA di Serian. Ia melibatkan penduduk tempatan dalam pengurusan dan pelaksanaan projek. Mereka yang terlibat kebanyakannya merupakan petani-petani tradisional yang tidak mempunyai konsep kerja yang moden, di mana disiplin kerja, limitasi masa dan keperluan memastikan kualiti produk terjamin, adalah penting.

Melibatkan mereka dalam situasi kerja yang baru bererti cuba mengubah konsep kerja yang lama iaitu daripada satu sistem yang tidak terurus kepada sistem yang lebih teratur dan khusus. Ini merupakan satu tugas yang tidak mudah, dan dalam proses berkenaan banyak masalah timbul terutama dalam aspek perburuhan.

Kajian ini cuba meninjau faktor-faktor utama mempengaruhi keberkesanan operasi projek. Isu-isu persekitaran, sosial, budaya dan agama, ekonomi, dan persepsi pekerja dalam pelbagai aspek kerja dikaitkan dalam mendapatkan faktor-faktor utama menyumbang kepada masalah perburuhan di Mayang Tea Plantation.
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CHAPTER ONE
INTRODUCTION

General Background

Agriculture is an important sector in Sarawak as it is the main employment generator in the State. In 1992, there were 41 per cent of the labour force in Sarawak involved in agriculture (Department of Statistics Malaysia, 1994). Most of the people engaged in this sector are the natives of Sarawak living in the rural areas of the State. Their main economic activity is farming and their land is mainly under Native Customary Right (NCR) tenure. Considering these factors, it is to the government’s opinion that the socio-economic problems in Sarawak be tackled by developing lands available in the State, especially the NCR lands. Since the Federation of Malaysia was formed, the rural areas have been the attention in Sarawak. The New Economic Policy (NEP) stressed the importance of developing the rural area in order to eradicate poverty, and King (1992) stated that the last three Malaysian Plans referred to the problems of rural poverty in the state among the indigenous people. Land or agricultural development in Sarawak is being carried out by agencies such as the Federal Land Development Authority (FELDA), the Federal Land Consolidation & Rehabilitation Authority (FELCRA), the Sarawak Land Development Board (SLDB), the Sarawak Land Consolidation & Rehabilitation Authority (SALCRA), and private commercial estates.

A large number of subsistent farmers today, are still engaged in traditional farming practices, which are not productive and as a result provide very insufficiently to the farmers. These practices would lead to a continuous poverty if no changes are made. In the case of Kg. Mayang and Kg. Engkaroh, there was a great need to seek a
more productive form of activity to improve their economic condition. The tea project was for the farmers to benefit especially through employment generated on the plantation. However, the project that covers 500 acres faces a shortage of labour. A tea plantation of that size needs about 750 workers for it to be run smoothly and efficiently. With only less than 400 registered workers, there is an existing labour shortage at Mayang Tea Plantation, even if every worker turn-up for work.

**Problem Statement**

Despite efforts and money spent for agricultural development, the efficiency of running the agricultural development in the State is not satisfactory. Dandot (1995) said that despite government’s massive assistance and intervention in this sector, its contribution to the state’s economy remained small and growing slowly. One of the problems that might have contributed to this is shortage of labour. As indicated by Khor (1990),

> “a problem concerning labour supply is that not many local workers stay long on estate jobs as many tend to drift back to their traditional way of life in preference to a fixed job even though the latter offers a more settled living and regular income”.

Besides that, this may be due to lack of knowledge or proper guidance given to enable workers, who are traditional farmers, to adapt to modern agricultural practices. This also means that the farmers do not have adequate skills to deal with modern devices.

Problem may also arise from the management of the plantation itself. Plantation management may not be playing its role effectively, which perhaps due to lack of incentive, motivation, satisfactory working condition, and so on, given by the central agency. As commented by Puthucheary (1990),
"... the lack of plantation experience both on the part of management and workers made it difficult for FELDA-like land development schemes to be implemented in Sarawak."

In this study, it is intended to point out the main factors contributing to the existing labour problems in development projects in Sarawak. Is it true that the workers, as indicated by Khor (1990), tend to prefer their traditional way of farming? Questions of why workers show poor commitment towards working in the plantation; what are their perceptions on the plantation as a development project; what are their view on the plantation as a work place; and what are their opinion on the management, are sought to be answered in this study. Aside of this, this study would also like to find out the management's role in contributing to the labour problems in plantations.

**Purpose and Objectives**

The purpose of this study is therefore, to understand the problems regarding aspects of labour that prevent the implementation of SALCRA projects, like the Mayang Tea Plantation from operating smoothly. Specifically, the objectives of the study are:

1. To identify the main factors contributing to labour shortage;
2. To study the characteristics of labour supply in the plantation; and
3. To find out problems on the management side affecting the implementation of the project.

This study would cover various angles such as aspects of environment, nature of the job, culture and religion, economics incentive, etc.
**Justification**

The findings of this study would help to understand the problems of the project, particularly on the aspect of labour supply. This could be used as a reference for future researchers in various aspects concerning labour involved in similar projects implemented by SALCRA generally, and Mayang Tea Plantation particularly. Besides this, it is hoped that this study would also initiate further studies on related aspects. Finally, this study intended to provide the input for the management in future policy making and planning.

**Scope and Limitation**

This research is a case study based on the Mayang Tea Plantation, situated in the Serian district. Therefore, the findings are only applicable to projects on NCR lands and development plans based on the concept as adopted by SALCRA at Mayang Tea Plantation.

**Definition of Terms**

*Workers.* The term *workers* used in this study is referred to the *plantation* workers or the workers who work in the *field* of Mayang Tea Plantation. It should be noted here that the workers of Mayang Tea Plantation are also mostly participants of this particular development project. In other words, they are the 'owners' of the plantation.

*Wages and Incentives.* The term *wages* refers to any cash payment made to the workers in return for any job done in the plantation. Whereas *incentives* refers to any
form of encouragement to enhance workers behaviour in favour to the management and for workers to follow any work disciplines implemented, or discouragement (punishment) for not following the management’s instructions.

**Labour Shortage.** For the purpose of this study, *labour shortage* is referred to irregular labour turn-up to work; or inadequate labour supply to manage to fields.

**Labour Problem.** This term is referred to problems arising in the aspect of labour, for example, attitude of workers towards working or towards the management. At times, this term will be use alternately with the term *labour shortage*.

**Work Rules and Regulations.** This is referred to work disciplines implemented by the management of Mayang Tea Plantation towards its workers in order to get work done smoothly and efficiently. This would cover all work procedures, instructions of how or when to do any task, any form of ‘punishment’ to ensure the rules and regulations are followed, etc. Among all are pay deduction, and changing the status of a worker from permanent to contract basis.

**Occupational Hazards.** This is referred to any form of illness which are caused by working in the plantation. This includes arthritis, muscle strains, skin ailments, etc.
CHAPTER TWO

LITERATURE REVIEW

Background of the Area of Study

Mayang Tea Plantation is the first tea project in Sarawak implemented by SALCRA which began in 1982. The project is established at Bukit Panking, Mayang, which is where the plantation got its name, in the district of Serian. It is about 100 km from Kuching, the capital of Sarawak, and can be reached within 2 hours’ drive. At present, there are about 190 ha of native customary land under the tea project scheme. The land belongs to the Bidayuh population of Kg. Mayang Mawang, Kg. Mayang Kawan and Kg. Engkaroh. Statistics published by Malaysia Information Services Department of Kuching, indicated that by 1992, there were about 163 families involved in the project.

Bukit Panking was selected for the project because of 3 main reasons. According to De Alwis (as quoted in Chang, 1983), they were the topography, the socio-economic status of the villagers, and the supply of labour available. For the purpose of this study, concern is to the second and third reasons, and therefore the first factor will not be further elaborated.

The Bidayuh villages located around Bukit Panking were regarded as poor and economically depressed. They were traditional farmers planting crops, such as padi, pepper, and rubber, which were hardly enough for their living. Most of the time, the padi, which is their staple food, could not last until the end of the year, whereas income

\[1\] In fact reports published by the authorities have identified the Bidayuh as the State’s poorest community. About 60 per cent are living below the poverty level and they are facing with malnutrition problem (Elone, 1989).
from rubber and pepper was low. It is obvious that their instability of earning a living would hardly have any significant economic improvement to their standard of living. They will be in continuous poverty if no changes were made to their economic activities. This made Bukit Panking the choice of SALCRA to establish the plantation, as one of its objectives is “to bring about socio-economic changes and development to the natives.”

Besides that, having about 1200 villagers residing in the 3 villages which participated in the project, as well as villagers from nearby villages, such as Kg. Busu, Kg. Prangkan, Kg. Mentong, and other villages along Jln. Tebakang/Mongkos, an abundant supply of local labour was available. As tea industry is of labour intensive, the scheme would be a good way to reduce unemployment in the area and at the same time, bring industry to the rural areas (Chang, 1983).

The implementation of this project would enable the State to overcome or at least reduce the problem of poverty and channel the excess supply of labour to a more productive work. This ultimately, would raise the standard of living of the Bidayuh as well as exposing them to modern industry of commercial agriculture production.

Background of the Agency - SALCRA

SALCRA is a statutory agency of the Sarawak government established and became operational in May, 1976. It adopts the concept of in-situ development and is basically trying to improve the socio-economy of the farmers through development of idle and under-utilised lands. SALCRA is the only agency appointed by the State with a ‘native’ status, which enables it to develop NCR lands. SALCRA is actually
empowered to develop all categories of land but the emphasis currently is the
development of NCR lands.

SALCRA’s main functions are to rehabilitate or develop land for agriculture; to promote and undertake agriculture development; to plan and undertake land development; and to carry out the implementation of the projects or schemes. These functions can be done by SALCRA itself or through contracted agents. As for its main objectives, SALCRA hopes to reduce and finally eradicate rural poverty among the backward communities, especially the farmers. Towards the end, it endeavours to achieve:

- raising the long-term productivity and optimum utilisation of NCR land by developing and managing the development of such land which are under-utilised, unutilised, or undeveloped;
- creating employment opportunities in the agricultural sector,
- providing a reasonable standard of living to the rural population through stable and improved level of income on a sustainable basis;
- creating an enlightened, progressive and dynamic rural community; and
- improving the quality of rural life through the provision or upgrading of basis social amenities and facilities (Jitab et al., 1989).

Therefore, it is the attainment of socio-economic aspects that are the most important for projects to be initiate, planned and implemented by the Authority.
Concept of Development

SALCRA adopts the concept of in-situ development. Among the important features of this concept are:

1. the development of land without depriving of affecting the ownership rights and status of such land;
2. projects are ‘brought’ to the people, not people ‘brought’ to the project;
3. centralised management;
4. a joint-venture arrangement is involved whereby SALCRA provides the technical, financial and managerial inputs while the landowners provide land and labour;
5. any surpluses after the deduction of appropriate costs are to be distributed to the landowners (Jitab et al., 1989).

An important aspect of the concept is the full participation and commitment of the landowners in the project from the beginning of the implementation. Although SALCRA provides the planning, implementation and management to the projects, it is not expected to benefit from the venture. As mentioned in fifth feature of the development concept, the surplus obtained after the deduction of appropriate costs will be given to the participating landowners. These costs include the daily wages given to the workers and other management costs as well as other financial obligations, which are treated as loan to the landowners. The deduction of the costs occurred will be made through the revenue obtained from sales of produce generated by the project.

Besides providing the direct necessities for project implementation, SALCRA will also assist in providing basic facilities, such as roads, clinics and community halls,
where these are still lacking, or improve the existing ones. These are part of SALCRA’s strategy to better the farmers’ quality of life.

In other words, the in-situ development concept is essentially aimed at providing or improving the necessities for the betterment of the participants. It is to bring about socio-economic changes and development through the development of idle and under-utilised lands.

‘Modus Operandi’ of SALCRA

Modus operandi or mode of operation of SALCRA will be explained in 2 sections: project planning, and implementation. For SALCRA to start a project planning, the request for development from landowners is needed. The planning approach is generally ‘bottom up’ whereby the participants are indirectly involved during the project identification stage. This is to ensure full commitment and co-operation from the landowners towards the project.

The proposed area for development will be studied in detail for its suitability. SALCRA depends on semi detailed soil survey by the Department of Agriculture. If the soil surveys have not been conducted at that particular area, the Authority will request and provide funds for such surveys to be done.

The following step involves getting the consent of the landowners. SALCRA will inform them regarding the concepts, policies and matters connected with project implementation through dialogue sessions, assemblies, and informal meetings. A ‘letter of consent’ is required to be signed by each participant. According to Jitab et al. (1989), it would normally take up to 2 years to study and formulate a project plan for implementation.
For the implementation, it should be mentioned that every request for projects will be studied by SALCRA. Areas with limited agricultural potential will normally be left out. SALCRA often faces dilemma in this respect whereby areas normally in need of development are found to be unsuitable, inaccessible and scattered which make project implementation difficult and costly.

Projects are implemented upon approval by the government where funds are obtained as loans and grants. Before the actual implementation, SALCRA will determine and survey the perimeter of the area involved. This involves determining the general boundary based on rentices that have been cut by the landowners. This would be problematic as usually for NCR lands, the communal boundaries are arbitrary and disputes between longhouses occur. SALCRA would as much as possible avoid to be involved in these disputes. The process of surveying individual lots would often take years to complete.

After the completion of necessary surveys, the actual establishment is commenced. It is the policy of SALCRA at present that the workers in the project field are employed among the landowners or participants themselves. However, non-participants will be recruited if landowners themselves refuse to carry out work. The workers work under the supervision of SALCRA staff which means they are bound under rules and regulations of working.
**Brief Information about the Crop - Tea**

Tea production requires stringent procedures in order to obtain quality outcome. From the commencing of planting the crop till the manufacture of plucked leaves, disciplined work procedures have to be followed because every stage of work affects the quality of next.

Tea can be grown successfully on a variety of soils, such as alluvial, volcanic, and old sedimentary rocks; loams predominate, but many tea soils are sandy. It is normally the acidic soils which are preferred. The soils at Bukit Panking where Mayang Tea Plantation is situated, falls into the general classification of Red-Yellow Podzolic (Chang, 1983). This type of soil consists of loamy sands and clays which is yellow to red in colour (Hatch, 1982). The ideal temperature for tea planting should be within 55° to 85° F, with an even distribution of rainfall throughout the year. Below the range, the leaves will likely be damaged and cause cessation of plant growth whilst above the range will normally accompanied by low humidities, which is not suitable for tea plant. The temperature at Bukit Panking ranges from below 69° to 93° (21° to 34° Celsius). According to Courtenay (1965) protective shades are essential for young developing plants, especially in equatorial latitudes. This is to avoid the extreme heat from the sun. The shoots of the tea plant grow with a distinct rhythm, unconnected with climate or other environmental conditions, which produce recognised flushing and dormant periods. The best tea is made from a fine pluck that consists of a bud and the first 2 leaves at the tip of a shoot. Once a shoot has been plucked, it takes some time, depending on the local conditions, for it to redevelop and be ready to be plucked again. In Malaysia, where the climate is warm throughout the year, the tea plant flushes continuously and has shoots ready for plucking every 7 to 10 days (Courtenay, 1965).
The same situation applies at Mayang where an interval of 7 days is followed. Intervals between plucking rounds must be chosen so that neither too many shoots left from the previous round have overgrown nor too few developed to make plucking worthwhile. Pruning is done to keep the tea plant in vegetative phase, also to keep the height of the plant within the efficient height for the pluckers.

According to Courtenay (1965), harvesting or tea plucking is the most expensive individual operation entailed in tea production which could absorb up till 60 per cent of the total production cost, in terms of wages paid to the labourers. This is because the nature of this industry is of labour intensive. For an economical operation, generally, 500 acres of estate requires 750 workers or approximately 1.5 workers per acre. The newly harvested tea has to be processed into ‘made’ tea for consumption. The quality of the made tea depends very much on the manufacturing process.

**Labour Shortage**

Labour shortage in plantation has been one of the major problems faced in Malaysia. As indicated by Sulaiman (1992), among the most pressing challenge faced by the plantation industry is shortage of labour. According to an annual survey conducted by the United Planting Association of Malaysia (UPAM), a shortage of about 12 000 workers of various categories in 10 states of Peninsular Malaysia was recorded (refer to Appendix I).

In Sarawak, shortage of labour has been identified as one of the main reasons for failures of Sarawak Land Development Board (SLDB) to achieve its objectives of

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1 This is even more serious when the findings also showed that the remaining workers were getting older, resulting in decrease in productivity (Sulaiman, 1992).