

**IMPACT OF MANAGEMENT PRACTICES ON
ORGANIZATIONAL PERFORMANCE IN THE TEA
VALUE CHAIN OF GALLE DISTRICT, SRI LANKA**



BY

B. G. R. S. MAVINDI



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Main Library, Eastern University, Sri Lanka

Department of Biosystems Technology

Faculty of Technology

Eastern University, Sri Lanka

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ABSTRACT

The tea value chain encompasses all stages involved in producing tea, from cultivation to consumption. The study aims to study the nature, problems arising, and practices in the tea plantation management sector and find out, mitigate, and overcome issues. The study of mixed methodology was used to do the research design. Data was collected from 100 tea farmers and key value chain actors in the Galle district of Sri Lanka through questionnaire surveys and interviews. Quantitative data were analyzed using SPSS Version 24. Descriptive statistics and multiple regression analysis were conducted to analyze the data. The result of the demographic analysis showed 68% full-time contribution to tea cultivation. The largest number of respondents 45% had working experience of 11-15 years; most females account for 66%. It was observed that 47% of respondent's main source of income was tea cultivation. The regression analysis reveals that management practices significantly impact on organizational performance in the Galle District's tea value chain. The model shows a strong correlation ($R = 0.780$) with 60.8% of the performance variability explained ($R^2 = 0.608$). Leadership Style ($p = 0.006$), Resource Allocation ($p = 0.020$), and Monthly Income ($p = 0.010$), all of which are statistically significant. Interviews in the tea industry revealed varied management practices, with most actors using leadership and collaborative decision-making. Resource allocation, linked to better product quality, differs by person. Financial success is measured through various strategies, and while technology is valued, some struggle with adaptation. Fair government support was highlighted as crucial. Key factors enhancing tea smallholder performance in Galle District include leadership style, resource management, and government support. This study suggests that targeted intervention improves the performance of the tea value chain. This result can be used to contrast and compare with the national tea value chain.

Keywords: Galle District, management practices, organizational performance, Tea industry

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