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A close-up, profile photograph of President Chandrika Bandaranaike Kumaratunga. She is looking towards the right of the frame. She has dark hair pulled back and is wearing a white garment with a blue border. She has a small blue earring and a gold chain necklace. The background is a soft, out-of-focus green and blue gradient.

'We started our whole economic development process from the time we came in, with a very clear economic vision, which I have stated many times. I don't know whether I have to state it again because I saw in 'Business Today' some senior business people in the country saying, 'well some things are happening.' They do not say any more that nothing is happening, but they would like to see a clear vision on the part of the government for economic development.'

President Chandrika Bandaranaike Kumaratunga

Renewing Old Ties

Sriyani Nonis, Chairperson Mackwoods Group of Companies, speaks of their role in the plantations sector in an interview with 'Business Today'.

■ Dinesh Weerakkody



'We have at all times taken a keen interest in improving the housing and welfare facilities in our estates.'

○ **When and how did Mackwoods begin operations?**

This business was founded in 1841 by Captain Mackwood. He commenced business as *merchant and agent* under the name of W.M. Mackwoods. His family members who succeeded him thereafter developed the business into a partnership and in 1953 incorporated the business as a limited liability company. In 1956 its ownership was passed on to N.S.O. Mendis. In the post independence Mackwoods held sway as a leading establishment in the new Ceylonese economy.

○ **What are your main lines of business?**

Mackwoods Group is a conglomerate of several companies engaged in diverse activities such as trading, manufacturing, travel services and plantation management. We are also involved in the manufacturing and marketing of pharmaceuticals through a joint venture with SmithKline Beecham of UK.

○ **What is Mackwoods group turnover?**

It is around 3 billion rupees.

○ **How many employees do you currently employ?**

Around 11,000 employees spread over all the companies.

○ **Was Mackwoods managing estates at the time of nationalization?**

At the time of nationalization of estates in 1975, Mackwoods Estates and Agencies was managing over 40 estates.

○ **What are the estates now managed by Mackwoods?**

Our company renewed its longstanding association with plantation management with the privatization of management of State-Owned Plantations. In 1992, Mackwoods plantations was selected to manage Agalawatte Plantations, a fully state-owned plantation company which comprised 17 tea and rubber estates.

○ **Where are these estates?**

The 17 estates are mostly rubber and they are in Ratnapura, Kalutara and in Nuwara Eliya.

○ **Are your plantations unionized?**

All our plantations are unionized.

○ **What are the improvements Mackwoods Plantations have undertaken to raise the living standards of the workers?**

We have at all times taken a keen interest in improving the housing and welfare facilities in our estates. Initially, attention was paid to improving living conditions by re-roofing and upgrading worker housing and staff quarters, providing pure drinking water on tap and wells wherever possible. In addition, sanitation was also improved by introducing the construction of toilets by the workers themselves, with financial assistance provided by the plantation housing and social welfare trust. The health facilities have also been improved by constructing dispensaries, improving the facilities in estate hospitals and maternity wards and undertaking immunization programmes. To overcome over-crowding of housing accommodation, new self-help schemes were started on nine estates, where land was given to the workers and financial assistance obtained from lending organizations such as the National Housing Development Authority (NHDA) and the PH & SWT for workers to construct their houses. Assistance is also provided for workers to obtain electricity for their houses.

○ **Do you consider the plantation privatization as a good strategy adopted by the government?**

‘Wage increases in my view should be tied to productivity increases and should be given without risk to the future survival of the company’

Yes, the plantations are better managed and also the productivity of these privatized estates has been enhanced greatly because of the investments made in better agricultural practices. Also, the welfare of employees is being looked at and many companies have spent large sums of money to alleviate the conditions of the workers.

○ **How do you think the wages in the plantation sector should be structured?**

Wage increases in my view should be tied to productivity increases and should be given without risk to the future survival of the company.

○ **To make the plantations more productive, what needs to be done?**

Firstly, we need to keep cost of production down through productivity linked strat-

egies. We also need to increase output per man day.

Investment is also required in replanting, rejuvenating of the soil and other agricultural inputs. Improvements in the factory, machinery and the development of human resource will further enhance the productivity of the estates.

○ **Talking about leadership styles, what is your style of management in a traditionally male dominated corporate hierarchy?**

Firstly, we believe in selecting the right people for the right jobs. Then, I believe in empowering my managers. We give them the direction and then allow them to manage and deliver results. As part of my routine I consult with the departmental heads and review the reports they provide. I also travel to our estates to consult with the superintendents and review the progress to ensure we are on track.

○ **As a final question, what is the role of the Mackwoods Charity Foundation?**

This charity fund was set up in 1993 by the late N.S.O. Mendis and is entirely a non-profit making foundation engaged in the alleviation of poverty and assisting the needy. Since its founding, the fund has assisted many individuals from differing backgrounds and a number of educational institutions.