

COMPARISON OF LABOR PRODUCTIVITY BETWEEN OWN LABOR AND CONTRACTOR LABOR BASED ON THE WORK ITEMS IN OPERATING *Eucalyptus pellita* PLANTATION IN ACACIA FOREST INDUSTRIES SDN. BHD.

Name: JASON JONIK @ HENRY

Supervisor: Mr. Julius Kodoh

Programme: FOREST PLANTATION AND AGROFORESTRY

ABSTRACT

Labor productivity is one of the important things in determining the success of a company. Work study in productivity improvement could be done in two approaches which are method study and time study. At present, the Acacia Forest Industries Sdn. Bhd. (AFI) company is less clear about the labor productivity comparison between own labor and contractor labor. This study is to compare the labor productivity between own labors and contractor labor based on the work activities performed in *Eucalyptus pellita* plantations. The work activities were lining, pitting, placing Aquasorb, and fertilizing. Labor productivity can produce an assessed standard working time for each work activity done thus can determining a reasonable cost for each work activity based on the labor productivity. Labor productivity is calculated by averaging the total area within a period of one hour for one labor. Based on the study, there was a comparison of labor productivity between the own labor and labor contractors. For the own labor, 0.06 ha/hour for doing lining, 0.04 ha/hour for the pitting, placing Aquasorb, planting, and 0.13 ha/hour for fertilizing work activity. Contractor labor can produce 0.04 ha/hour for lining work activity, 0.03 ha/hour for pitting, placing Aquasorb, planting and 0.09 ha/hour for fertilizing work activity. The new average payment rates for own labor can also be calculated based on the research for lining, pitting, placing Aquasorb with planting and fertilizing respectively were RM 32.25 manday/ha, RM 32.80 manday/ha and RM 27.90 manday/ha. For contractor labor, the new payment rates for the same work activities in this research respectively were RM 43.68 manday/ha, RM 40.56 manday/ha and RM 49.14 manday/ha. Therefore, labor productivity in own labor are meet the work activities standard while contractor labor does not meet the standard. The new average payment rates for own labor showed a higher value and contractor labor showed a lower value compare to the previous payment rates in AFI.