

FIRMS' REALIZATION OF THEIR EXPECTATIONS ON ADOPTION OF AN ENHANCED FOOD SAFETY METASYSTEM: EXPLORING THE CASE OF HACCP CERTIFIED AGRI-FOOD PROCESSING FIRMS IN SRI LANKA

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Based on the expectation disconfirmation theory from consumer behavior literature, this study investigates extent to which those HACCP certified agri-food processing firms (*i.e.* meat/fish, dairy, fruits/vegetables) in Sri Lanka have “*realized*” (*i.e.* firm's post-adoption experience) those “*intended*” (*i.e.* pre-adoption expectations) benefits upon having a food safety and quality metasystem in place. Firm's level of expectation (E) and subsequent realization (R) with regard to 14 different incentives, which can be attributed into four major types of economic incentives that motivate a firm to act on food quality management such as: (1) Internal market-based (*e.g.* higher price, increase sales); (2) External market-based (*e.g.* customer complains, company image); (3) Increased efficiency (*e.g.* product shelf life, productivity), and (4) Regulatory (*e.g.* government, judiciary/liability) were identified. These were incorporated into a structured questionnaire in the form of attitudinal statements on which the respondents were asked to score on a two-way, four-point likert-scale to elicit their expectations and realizations. The responses were, in turn, used to derive an Expectation Realization Diagram to differentiate those incentives on three criteria, *i.e.* $R > E$, $R = E$ and $R < E$. The results show that those HACCP certified firms are, in general, satisfied (*i.e.* $R = E$) with their ability to better deal with external market forces/incentives such as company image and customer complaints and improved internal efficiency in comparison to those internal market-based incentives such as charging a premium for their products, increased sales/revenue and dealing with regulatory pressures. Further, the results highlight that those dairy, meat/fish processing firms realized more on those benefits than fruit/vegetable firms while firm size and turnover also had variable impacts. Overall, the outcome of analysis imply that those certified firms are “happy” with the multi-faceted incentives generated by the metasystem *ex-post* over the investments made on it (*i.e.* financial, human and physical resources) *ex-ante*.

Key words: Agri-food processing sector, Economic incentives, Food safety & quality, HACCP