



# **Survey on Influence of Labor Demand and Supply on Substantial Labor Requirement of the Companies**

**Vested with the Channel of the Chambers**

**Department of Manpower and Employment**

**Ministry of Youth and Sports**

# CONTENT

<b>TITLE</b>	<b>PAGE</b>
<b>NO</b>	
List of Exhibits.....	iv - v
<b>CHAPTER ONE</b>	
<b>1. Introduction .....</b>	<b>1 - 10</b>
1.1 Background of the Study.....	1 - 5
1.2 Statement of the Problem.....	5 - 7
1.3 Research Questions.....	7 - 7
1.4. Project Objectives.....	7 - 8
1.5 Significance of the Study.....	8 - 9
1.6 Limitation of the Study.....	9 - 9
1.7 Relationship of project to National Priorities.....	9 - 9
<b>CHAPTER TWO</b>	
<b>Research Methodology.....</b>	<b>10 - 14</b>
2.1 Introduction.....	10 – 10
2.2 Research Design.....	10 - 11
2.3 Population.....	11 - 12
2.4 Sample and Sampling Techniques.....	12 - 13
2.5 Instrument.....	13 - 13
2.6 Data Collection Procedure.....	13 - 13
2.7 Pre -Test.....	14 - 14
2.8 Data Processing and Analysis.....	14 - 14
<b>CHAPTER THREE</b>	
<b>Data Analysis and Presentation.....</b>	<b>15 - 33</b>
3.1 Data Collection and Research Method.....	15 - 15
3.2 Background Analysis of the Companies.....	15 - 18
3.3 Analysis of Major Reasons caused on Disqualification of Candidates.....	19 - 22

3.4 Analysis on Skill Demand and Supply.....23 - 26  
3.5. Analysis on the Relationship between the Identified Factors.....26 - 33

**CHAPTER FOUR**

**Conclusion and Recommendations.....34 - 37**  
5.1 Conclusion.....34 - 34  
5.2 Recommendations.....34 - 37

REFERENCES.....i - i

ANNEXURE.....ii - viii

## LIST OF EXHIBITS

No.	Page
Exhibit 1.1 : Status of All Candidates on GCE O/L <sup>(a)</sup> and GCE A/L.....	1
Exhibit 1.2 : No. of Candidates Qualifying and Selected to Undergraduate Courses of the Higher Educational Institutions .....	2
Exhibit 1.3 : Students by Institute of Vocational and Technical Training Sector .....	3
Exhibit 1.4 ; Employment Population by Employment Status - 2019.....	4
Exhibit 3.2.1: Distribution of Sample by the Scale of Business (Percent).....	5
Exhibit 3.2.2: Number of Employees Consisted (Percent).....	16
Exhibit 3.2.2: Number of Employees Consisted (Ext.).....	16
Exhibit 3.2.3: Regional Presence of Companies (Percent).....	17
Exhibit 3.2.4: Level of the Position of Job Categories (Percent).....	17
Exhibit 3.2.5 : Representation of Job Categories.....	18
Exhibit 3.3.1 : Major Reasons for being Disqualified of Candidates - Managerial/ Professional Category.....	19
Exhibit 3.3.2 Major Reasons for being Disqualified of Candidates - Non Managerial/ Administrative Category.....	20
Exhibit 3.3.3 Major Reasons for being Disqualified of Candidates - Technical Skill Staff...	21
Exhibit 3.3.4 Summary Table - Major Reasons for being Disqualified of Candidates.....	22
Exhibit 3.4.1 Comparison between Skill Demand and Supply.....	23
Exhibit 3.5.1 Lack of Skill - Positive Thinking vs Level of Job Position Crosstabulation.....	26
Exhibit 3.5.2 Lack of Skill - Decision Making vs Level of Job Position Crosstabulation.....	27
Exhibit 3.5.3 Lack of Skill - Problem Solving vs Level of Job Position Crosstabulation.....	27
Exhibit 3.5.4 Lack of Skill - Communication Skill vs Level of Job Position Crosstabulation.....	28
Exhibit 3.5.5 Lack of Skill - Leadership vs Level of Job Position Crosstabulation.....	28
Exhibit 3.5.6 Lack of Skill - Team Work vs Level of Job Position Crosstabulation.....	29
Exhibit 3.5.7 Lack of Skill - Customer Orientation vs Level of Job Position Crosstabulation.....	29

Exhibit 3.5.8 Lack of Skill - Innovativeness vs Level of Job Position Crosstabulation.....30

Exhibit 3.5.9 Lack of Skill - Language Skill vs Level of Job Position Crosstabulation.....30

Exhibit 3.5.10 Lack of Skill - Result Oriented vs Level of Job Position Crosstabulation.....31

Exhibit 3.5.11 Lack of Skill - Interpersonal Relationship vs Level of Job Position  
Crosstabulation.....31

Exhibit 3.5.12 Lack of Skill - Ethical Responsible vs Level of Job Position Crosstabulation.....32

Exhibit 3.5.13 Lack of Skill - Analytical Skill vs Level of Job Position Crosstabulation.....32

Exhibit 3.5.14 Summary Table - Relationship between the Identified Factors .....33

# CHAPTER ONE

## 1. Introduction

### 1.1 Background of the Study

The decision on substantial demand for labour is a critical assessment made by the employers and the supply of labor is function of differentiated demand for labor and output of own generated attitudes of personnel. The equilibrium of demand and supply of labor is a optimal status of any economy. However, most of the economies are still in experiencing with mismatch of demand and supply of labor. It is being contradicted thoroughly since the outbreak of Covid 19.

The total employment in 2019 was 8,180,693. it was manifested that employment to population ratio (15+) was 49.8% in 2019 and it is obvious that half out of total people (15+) who are not being productively engaged can be given employment opportunity (Department of Census and Statistics, 2019).

Thus the composition of labor supply manifested that dropping from Never schooling, below Grade 10 (However the labor act is covered the minimum age can be employed the any person), GCE (O/L) (Without sufficient educational background), GCE (A/L), professional and vocational education (Ready to work) and Universities and Higher Educational Instituted (Ready to work + To be developed for ready to work) that make pros and cons on sound labor market system.

#### Exhibit 1.1: Number of Disqualifying Candidates GCE O/L<sup>(a)</sup> and GCE A/L 2015 - 2019

No	Component	2015	2016	2017	2018	2019
1	Number of Disqualifying for GCE A/L (From all candidates sat for GCE O/L)	110,720	88,904	97,568	93,087	98,369
2	Number of Disqualifying to enter University (From all candidates sat for GCE A/L)	60,764	60,725	58,098	62,361	64,698 <sup>(b)</sup>

(a) Five or more subjects

(b) Includes candidates of both new and old syllabuses.

Source: Own calculation based on the data of Economic and Social Statistics, Central Bank of Sri Lanka, 2020

The exhibit 1.1 denotes that average of 97,730 of candidates had been dropped from GCE O/L. This makes an adverse effect on standards of labor market since insufficient educational background. From the all candidates sat for GCE A/L, average of 61,329 candidates has been disqualified for university entrance with in the period.

**Exhibit 1.2 : No. of Candidates Qualifying and Selected to Undergraduate Courses of the Higher Educational Institutions (Universities and HEIs Established under the Universities Act)**

No	Component	Year							
		2015		2016		2017		2018 <sup>6</sup>	
1	Year of GCE A/L	2015/2016		2016/2017		2017/2018		2018/2019	
2	Year of Admission	No. of Qualified <sup>1</sup>	No. of Admitted <sup>2</sup>	No. of Qualified <sup>1</sup>	No. of Admitted <sup>3</sup>	No. of Qualified <sup>1</sup>	No. of Admitted <sup>4</sup>	No. of Qualified <sup>1</sup>	No. of Admitted <sup>5</sup>
		155,550	29,055	160,517	30,662	163,160	31,415	167,992	31,881
3	Residuals*	126,495		129,855		131,745		136,111	
4	% Change of Residuals*			2.66		1.46		3.31	

1. All candidates who attained the minimum requirements for admission to the universities at the GCE (A/L) Examination
2. Excludes 28 Students who admitted under foreign intake and teachers intake
3. Excludes 6 Students who admitted under foreign intake and teachers intake
4. Excludes 36 Students who admitted under foreign intake and teachers intake
5. Excludes 21 Students who admitted under foreign intake and teachers intake
6. Provisional

Source: University Grant Commission, 2019

- Own Calculation based on the UGC data

The exhibit 2 divulged that no. of candidates qualifying and selected to undergraduate courses of the higher educational institutions is being made gradual growth depriving opportunities for youth. Percentage change from 2017 to 2018 has increased by 1.85 percent. Other impact on economy is all are still treated as dependency segment.

**Exhibit 1.3 : Students by Institute of Vocational and Technical Training Sector**

Total No. of Students						Percentage Change*		
2018			2019			2019		
Intake	Completed	Dropped	Intake	Completed	Dropped	Intake	Completed	Dropped
156,872	120,560	29,193	148,618	119,243	27,461	-5.26	-1.09	-5.93

Source: Department of Census and Statistics, 2020

\*Own calculation based on the data

Know - how on vocational and technical scenario is a crucial benefit on searching, establishing and sustaining on the job. As per the exhibit 1.3, the intake was dropped by 5.26 percent and simultaneously completion has been dropped by 1.09 percent. However, dropping has taken place by abating 5.93 percent. The amalgamation of aforesaid all sources of labor supply is proven that the multi composition in labor market with multi educational, vocational and technical qualifications.

Nearly half a million vacancies or the labor demand exists in the private sector enterprises (excluding the micro enterprises) (Department of Census and Statistics, 2017). Concurrently, it was apparent that more than 0.3 MN unemployment in each year. And also there is a potential labour force more than 0.2 MN who are not actively seeking employment but ready work if an opportunity comes. “The unemployed can be absorbed to the private sector immediately by matching their skills and capacities and the potential labour force also could be made as employed by appropriate training carrier counseling programmes” (Labor Demand Survey, 2017).

Persistence at labour-market level is ongoing structural unemployment, which occurs when the labour market does not react to a situation of simultaneous unemployment and unfilled vacancies, and long-term unemployment arising from reduced reemployment chances of those facing longer spells of unemployment. Skill mismatch may be resolved or reduced by internal or external mobility, by investment in education and training and by adapting jobs.

Workers’ earnings are determined by both required levels of education and actual skills possessed. Skill obsolescence leads to higher risks of unemployment or non-participation. The young people entering the labour market could benefit when actions are taken to improve the matching process by preventing over-education or making the incidence of over-education less prolonged. Research has shown that for graduates moving on to a job in which they are over-educated, spells of over-education tend to be lengthy and persistent. At macro level, skill mismatch reflects itself in imbalances on the labour market. An oversupply of individuals with specific sets of skills leads to unemployment or over-education in the



economy. Excess demand at macro level for some types of human capital can be led to under-education or under-skilled. This hampers the ability of economies to innovate, grow and compete.

A study revealed that 180,000 no. of young people enter the labor market every year after completion of O/L and A/L examinations in secondary school, whilst the adverse outcome was about 152,000 (84 percent) join the labour market without receiving any training (National Planning Department of Sri Lanka).

Over the behavioral impact by the inherited system of the economies, the outbreak of the COVID 19 has been plunge in to the deep depression without considering the magnitude of economies. The estimation highlighted that, the global economic backlash of the COVID-19 pandemic wiped out some 81 million jobs in 2020. In nearly all economies with available quarterly data for 2020, employment levels contracted compared to 2019 (Asia–Pacific Employment and Social Outlook, 2020: Navigating the crisis towards a human-centered future of work).\_Women and young people are disproportionately hit and labor income as another crisis victim since hold or/ and half paying of salaries with being victimized.

The minimum economic activities carried out since Mid-March has impacted all stakeholders of the labor market (Department of Labor, 2020). Further, a significant cohort of the working population is making highly vulnerable in the event of loss of income since the vacuum of any form of social security. Labour market of Sri Lanka has suffered a similar backing towards the depression; the existing legislation does not address the current pandemic situation, depriving both employees and employers alike of relief measures to be adopted in this situation. Hence, protecting employment whilst protecting businesses and ensuring sustainability has become a challenging task.

**Exhibit 1.4 ; Employment Population by Employment Status - 2019**

No	Employment Status	No.	%
1	Employee	4,738,244	57.9
	Public	1,216,549	25.7
	Private	3,521,695	74.3
2	Employer	209,159	2.6
3	Own Account Workers	2,658,735	32.5
4	Contributing Family Workers	574,555	7.0
Total			100.0

Source: Department of Census and Statistics, 2019

The majority represents the status of Employees. Thereby 74.3 percent was private sector employees. 32.5 percent was Own account workers. Employers represents as a least share by employment status. It was 2.6 percent. The survey is concerned the formal sector only, since it reflects the much higher private sector employment (3,521,695).

Calculation of the Human Development Index (HDI) combines four major **indicators**: life expectancy for health, expected years of schooling, mean of years of schooling for education and Gross National Income per capita for standard of living. The HDI rank of Sri Lank is 72 and expected years of schooling (Years) was 14.1 (Human Development Report Office, 2020).

Since, the Chambers of Commerce stands for "An association of businesses in a city, region, or state, it is devoted in part to promote the business interests of its members. In Sri Lankan context, Chambers of Commerce altogether covers the large portion of business vendors as a facilitator role assigned. Thus, the influence injects by the vendors to the labor market is a factor that affects to the sound operation of the business process. Therefore, the project overlooks the outcome of the aforesaid contradiction of Sri Lankan LM scenario on the performance of the vendors' functionalities. The contribution of large portion of vendors in to the labor market especially employment, circulation of economic activities are the core functions delivered through overall economy. Hence, the intervention on running the stable labor market significantly within the channel of chambers will be a grate backing on the high productive mechanism, since all depends on well-equipped manned.

## **1.2 Statement of the Problem**

Sri Lankan scenario exists the profile of LM as 16,424,016 no. of household population (15+), 8,592,010 of total labor force, 411,318 no. of unemployed population and 7,832,006 no. of economically inactive, 21.5% youth (15-24) unemployment, 647,863 no. of Youth Not in Employment, Education or Training (NEET) group, 4.8% underemployment, 200,241 no. of potential labor force, 89,272 no. of discourage job seekers and 30.8% Computer literacy and 46.0 digital literacy, 42,024 no. of unemployed graduates (Department of Census and Statistics, 2019). Further, the variation between male and female is a prominent factor on LM apparent as labor force participation rate (male 73 and female 34.5), unemployment (male 3.3 and female 7.4), NEET rate (male 13.3 and female 29.0).

O/L School Dropouts (Around 95,000) Enter in to the Labor Market without sufficient Educational Background, A/L School Dropouts (Around 100,000) Enter in to the Labor Market Seeking Employments, Large Portion of Graduates are Qualified in Arts Subjects, causing a mismatch against the demand for technically qualified youth, lack of awareness – although several vocational Institute in operation, entering is Very Marginal.

The weighted influence on Sustainable Labor Market (SLM) is a function of said indicators collectively. And the pressure of potential labor force is made intensive magnitude against the SLM by the time lag to enter the labor force. And the skill composition acquired / or not, comfort seeking, dependency minded, high preference on public sector jobs, recruitment and retention issues are some critical dots that has been made outbreak against the SLM. Hence need comprehensive exploration to mitigate the outcome of said vulnerabilities by covering the high motion clusters of the economy.

Meanwhile, nearly half of million vacancies (Demand for labor) generally exists in the private sector enterprises. However, 0.3MN unemployment and 0.2MN potential labor force have been stagnated and play a mutually exclusive role in the labor market. The said mismatch has been shown to have negative associations with employment cohesion and civic engagement, and is becoming an area of increasing concern for job aspirant and civil society organizations. When specific groups of citizens lack employment representation, they are likely to become more excluded over time, leading to an erosion of trust in their future and ensuing difficulties in governance. The much of expenses have injected government to grow-up the said groups and still treat as dependent. This investment has indeed a opportunity cost and on the social coherence it is a sign of stagnated society. And standard of living is caused to degrading, social unrest, and again degrading international rankings vested. Addressing this problem will give the insight to adjust their policy and strategies, improving inclusion for the work orientation as well contributing to a more nuanced understanding of current trends in LM behaviour.

Thus, channel of chambers has been selected to test the influence of afore said contradiction on the LM. Hence, the survey driven to explore the impact of aforesaid LM contradiction on the skills requirement, employee retention, unemployment, underemployment, NEET and discourage of job aspirant. Accordingly the main objective is to inquisition how do make

contribution of afore said segment out of the 18+ population in to the labour force as role of Talent Pool.

The aim of this research is to investigate effective engagement strategies to increase turnout of the all segments as said 2 groups. It will identify the most significant factors in non-participating for work and unjustified time lag spent and conduct research to measure the impact of different strategies on expedient intention in to the work orientation.

### **1.3. Project Objectives**

- i. To identify the constraints experienced by the companies during the process of hiring personnel.
- ii. To explore the status of exact skills requirement with the labor supply.
- iii. To facilitate Industries to smooth on the recruitment mechanism with quality labor supply.
- iv. To mediate policy directions on adopting with educational curriculum towards the talent pool.

### **1.4 Significance of the Study**

The sustainable solution for the externalities derived since the rooted case of the skill gap presented by this research, there is an expansion on the current understanding of the labor market on strategies in terms of cost, acceptability, and sustainability. This study provides a clear presentation towards the strategical movement, giving insights on which strategy is more appropriate and useful deal with the principle by learning its influence in the past.

The survey is to be conducted to gather information to develop a model as one of measures upon the “Productive Human being for Universal Perception”. The findings of the survey are to be expected to raise up the youth and ultimately, promote job aspirant upon talented labor market scenario (Approach to quality labor supply) by mitigation the limitations towards the accessibility of challenging job market, minimize the exceeding time spent, discourage job seekers, NEET, potential labor force and uplifting timely available job vacancies, job matching through effectiveness, remedial measures for technical and educational driven inadequateness on application of digital technology, ability to talent on absorption the unexpected shocks (As COVID 19..), multi talent helps to promote Multiple Job Holders (Persons who work more than one job in the same period) and Secondary Job Holders (Persons who have engaged in a secondary activity other than the main activity) and

ultimately shrink the scope of unemployment and stands for SLM and expansion the literature on the same scope.

Hence, the survey is fulfilled the scarcity of liable information on direction to the mature pathway for maximizing the underutilized labor. On the other hand the vulnerable cohort of active labor market hence, this attempt is widely emphasized the convention on the said imbalance and necessity of evolving new generation to update and ensure the persistence.

And it is hard to engaged in job aspirant who are not doing any of economic work but eligible for work by exposing the liabilities to country and is welcomed as a strengthen component in labour market. Accordingly, indebted other fragment is job aspirant and in decision making level it would be beneficial for statutory body. The both trajectories have blended by understanding to resolve forthcoming structural skipping as term of forbidden band. On the other hand this attempt can have been recognized as a fulfillment of a condition in sustainable development context through maximum utilization of labour.

Whereas, the research specifically, will be benefited to;

- Unemployed, Underemployed, NEET, Economically inactive population, Potential labour force, discouraged employees and other stagnated segments of the 15+ population.
- Students, Drop outs (School, Vocational and Technical, HEIs.. etc)
- Policy Makers
- Decision and Policy Makers - Members of Chamber's Channel (Employers)

Strategies formulated will be aimed the policy makers that will use the findings in reforming, address and mitigate challenges experienced. Both existing and potential strategies will be benefited from the findings of this study since identify the gap to understand the dynamics and mitigation of challenges on skill mismatch.

### **1.5 Limitation of the Study**

The study is focused to identify the effect of skill miss match on employer decision in sound influence upon the overall performance since all based on inter functions of manned.

Access to the data through all the resources was a limited since the effect of Covid 19 outbreak. And the tool that had been used to gather data had to shift into e-data collection (Google Form) since restriction made to conduct face to face interviews.

Contribution of private sector to the survey was in deficit. Receiving of further information was limited due to confidential oriented phenomenon among the simultaneous bodies of private sector on exposing since the doubtfulness of recent future. And the severe effect has been faced during the process of data collection along with the ethical consideration, since no access for rapport development.

### **1. 6 Relationship of project to National Priorities**

The survey comes in line with the National Policy Framework - **Vistas of Prosperity and Splendor** in connection with the strategies of the 10 key policies as A trained, energetic workforce to achieve accelerated development to reduce the unskilled category in the labour force, Identifying the aspirations and develop a viable and effective programme enabling youth to reach full potential, Harnessing the contribution of women to development plans (A Productive Citizen and a Happy Family - Chapter 04). Further, National Human Resources and Employment Policy (NHREP) for Sri Lanka emphasize the urgency on enhancing employability of youth. As well, Sustainable Development Goals (SDG) covers the scope of Full employment and decent work with promote youth employment, education skills development and demand.

# **CHAPTER TWO**

## **Research Methodology**

### **2.1 Introduction**

The survey is driven to explore effect of labor supply and demand to develop a model as one of measures towards the world class labor force. Thereby, it addressed on main obstacles faced upon the demand of labour, examine the influence of labor supply on it's demand and make recommendation to expansion the possibilities of quality labor through the grabbing techniques identified. In generally, the methodology presents an overview of the method used to collect, analyze and interpretation. Hence, the composition of the chapter was research design, population, sample and sampling techniques, data collection and data analysis. Thus the selection of the method used depends on the type of information to be gathered (Horn & Salvendy, 2006). However, the electronic mode (Google Form) has been developed as the data collection method for gathering primary data. The target group consists the companies/ Institutions who has registered minimum 2 years back under the administrative scope of Chambers of Commerce (CC) as a member.

### **2.2 Research Design**

The research study is driven through the specific components that labor driven adoption of overall labor system on decision of market compliance aspects on completion the vacuum of mismatch in strategies to sustainability the possibilities for maximum utilizing of labor by means of fruitfulness of the factors that expect from concern authorities by flexibility adoption, manifest the trusted quality standard through very comprehensive and proven way. The derived attempt is initially identified the critical points vested with the skill mismatch on decision maximum qualified labor supply effectively. It expects the performance of the tool used and support for stable labor market system over the excess mismatch, retention, refrain from reiterated obstacles experienced and paper works with hard copies and minimal of the operational cost and extra time spent. There by transfiguring of conducting the survey is conglomerated the findings that adjudication to apply population extracted from the sample refraining from additional consumption of cost and time.

The descriptive research design expects the overall plan for obtaining answers to the questions guiding by the research. Research design explains the method adopted in carrying out of the research and the plan or structure of any aspect of research procedure (Ondara et

al., 2016). Epistemology related variances have been defined by the supports through which respective research methods have been complied. Accordingly, the design being sought is made help where, merging of both the qualitative and quantitative approaches in a productive way of the proposed research study. Thus, it is used quantitative method to identify, analyze and describe factors vested with the hiring personnel along with the expected adoption of labor market system on performance of demand -supply combination of labor. In this study a descriptive research method was used based on who believed that descriptive questions usually elucidated the “what”, “when” and “how” of a situation at a descriptive level. These questions described the phenomena but did not go much further in their enquiry or analysis. Therefore, this study is helped to elucidate the descriptive and gave specific details about the phenomena that have been tested. The distinction between the two approaches being that the qualitative approach to research acquisition was expansive in its inquiry against the operational work burdens, whereas the qualitative approach was intentionally limited. Hence, study utilized a quantitative approach because the investigation process was done in a manner that concentrated on measurement of data.

This approach helps in describing the data and determining the respondents’ degree of agreement with the various statements that aiming each objective. It is obvious that said approach to be conformable for gaining better understanding about the gap between existing challenges and expected level so far to give contribution to heighten the almost equilibrium of labor demand and supply through management of labor market to prevent from the imbalance structure strategically scenario on both ways. This design has been used for the purpose of developing theory, identifying problems with current practice, justifying current practice, making judgment or determining what others in similar situation are being done Waltz & Bausell, (1981). The purpose of applying said design is to provide the perception and view of the respondents about the phenomenon studied. This research is attempted to identify and describe factors that vested with expected quality of labor market for the performance. Therefore, it is used quantitative research design to carry out a more in-depth and comprehensive research.

### **2.3 Population**

The survey is planned to conduct with the contribution of Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) along with it’s members who registered in any of channel of chambers. Thus the target group consist the companies/ Institutions who



has registered Minimum 2 years back under the any of Chambers of Commerce (CC) as a member. Thus composition of the population was companies/ Institutions who has vested with the FCCISL. The consistency was not heterogeneous due to the status of reported registration and influences of involvement process that handling with the labor market scenario. Accordingly, the population was consisted the all status of significantly registered companies/ Institutions without considering level of contribution, magnitude or the scale of the companies and other manageable statues. It is comprised in diverse components of members of chambers drive community where as current status, experience on hiring personnel and the ways of proceeded due to variation of a specific unit. Hence, the population was all the companies/ Institutions who registered as a member under the FCCISL cohort. It is indeed the number of individual companies. Hence, the respondents were almost a head or the designated personnel of the company. Where, the target population of this survey has contrived to consider the said critical groups who made propensity to feed back the evaluation on expected quality on intervention towards the comprehensive labor demand and supply mechanism.

#### **2.4 Sample and Sampling Techniques**

It is extracted 09 National Chambers and 29 Regional Chambers who were registered as members of Federation of Chambers of Commerce and Industry of Sri Lanka. The sample size was 30 percent from the total numbers of companies/ Institutions registered under the each CC. The simple random sampling technique was used to draw a sample. Sampling frame was registration list of 09 National Chambers and 29 Regional Chambers. Random sampling procedure has been used to extract 30 percent from each company/ Institute.

The sample was almost perceived the feature of homogeneity since the unique segmentation. The sample size was 30 percent of the companies/ Institutions registered under the each CC. Accordingly, the sample size was indeed the 30 percent of Companies/ Institutions where representing under FCCISL. Simple random sampling technique has been used to draw a sample. This sampling method is conducted where each company of the population has an equal opportunity to become a part of the sample. Aforesaid sub sets of the sample were mutually exclusive to each other. Hence, one company has one chance to represent in all aforesaid categories. The distribution of sample amongst CCs was made based on the constant size of CCs.

This is indeed focused on perception about challenges, remedial measures and constructive opinion of diversified aspects on adoption labor demand and supply by the operational level. The methodology that used is provided the justification on drawing the sample whereas treated as representative sample.

## **2.5 Instrument**

The questionnaire method vested with structured format has been used as the main data-gathering instruments from the sample, also to let it to analyze any innovative issue may emerge during the process within the scope. The questionnaire has been delivered to the sample via the electronic mode (Google Form) since the security instruction made by the Health Authorities. The effective Webinar has been taken place to develop a rapport on the questionnaire and got fully aware about the research.

The profile of questionnaire was consisted on current statues of the company, specific overview on get disqualification of candidates, reviewing on basic requirement, educational, vocational, professional and skills requirements and to be developed skill requirement and factors which influence of operationalization. The viewpoints are represented the degree of agreement of each respondent's on the given questions. This research instrument is allowed to carrying out the quantitative approach effectively with the use of descriptive and inferential statistics for analysis and interpretation. This is an interactive method which expresses data in words. And it is used when the purpose is not going deeper into a subject (Alexander & Andres, 2005).

## **2.6 Data Collection Procedure**

### **2.6.1 Primary Data**

The questionnaire method is influenced in data collection procedure from the sample as primary data. The structured questionnaire was received via the e-mode through the Google Form.

### **2.6.2 Secondary Data**

Reports and Administration Records of FCCISL, Central Bank Reports, reports of Department of Census and Statistics, News Papers, Internet and other related sources of information were used as sources of gathering secondary data.

## **2.7 Pre -Test**

In the research aspect there is a great necessity to testing the validity of the instrument being used. Accordingly, the structured questionnaire was tested among several respondents (Companies) in different manner by explaining the context which is expected to gathering under the purview of objectives as almost equal background through the Google Form. These respondents as well their replying were not part of the actual study process and it was assured further improvement and validity of the instrument by expurgation of vague terminologies to ensure comprehension. Substantially, the above respondents were not included in the final study result as recommended (Kothari, 2004). This is attributed to the fact that the intention of the pretesting tool is to ensure that the items in the tool bear the same meaning to all respondents irrespective of the sector, magnitude or scale of the company, and also to assess the average time that is required to administer the instrument (Mugenda, 2003).

## **2.8 Data Processing and Analysis**

It is provided documentation on the archived information as well the analysis methods used to process and summarize the data. Presents information from the archived data, including the type of structured questionnaire used to collect the information, the level of detail of the archived information, and its elements that were submitted. Data processing steps used to prepare the data for analysis, including pre-processing, data quality checking and aggregation to a common data standard and finally analysis. Describes the data quality checks used in preparing the archived data for analysis. If inclusion of any vague terminologies or exaggerations, the validity of information gathered were doubtful. As the validity and reliability of studies test heavily on the correctness of the information provided by the respondents and can be assured by using multiple sources or “looking at data in multiple ways” (Eisenhardt, 1989); Yin, 2003).

The data was analyzed using Statistical Package for Social Sciences (SPSS 23) platform. Mainly the descriptive statistical analysis was used to interpret survey results and inferential statistical analysis was used to test the hypothesis built and to test the data with statistically.

# CHAPTER THREE

## Data Analysis and Presentation

### Introduction

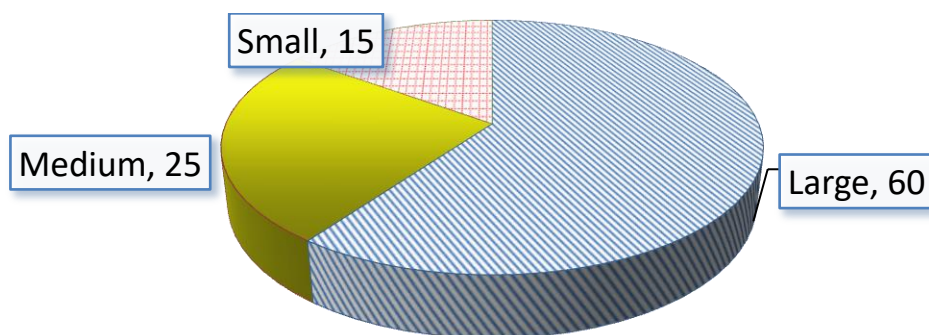
The purpose of the study is to explore the obstacles faced by the companies during the process of hiring the personnel and apparent mismatch between supply and demand to identify the main challenges and to make possible implication to upraise the performance of labor market transactions. Accordingly, data analysis, result and interpretation have been done.

### 3.1 Data Collection and Research Method

The structured questionnaire has been distributed as the Google form amongst the respondents, since the consent had been received as a result of the conversation made with the respondents at the session of webinar, whilst, just 20 questionnaires had been received with the completion of all requested information. The optimization prove with the tests of validity and reliability were kept as a limitation and proceed with the descriptive and crosstabulation for selected variables. The simple percentage was enabled to verify the relative importance of the various items used for the analysis. The data about characteristics of phenomena studied were analyzed by using a descriptive statistical analysis. Also cross tabulation was used to score, so as to enable to show the relationship between the variables in the study.

### 3.2 Background Analysis of the Companies

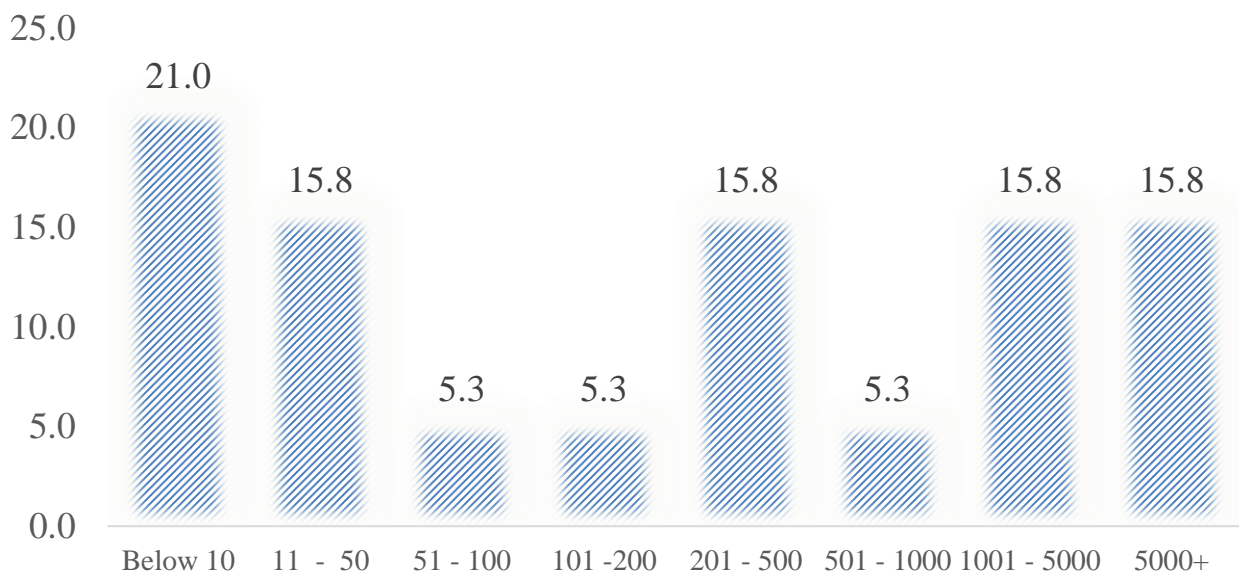
**Exhibit 3.2.1: Distribution of Sample by the Scale of Business (Percent)**



Source : Survey Data, 2021

The study inheritably has been consisted Small, Medium and Large scale of ventures. Thus majority of businesses were Large scale (60 percent). The overall pictorial view of the national context is paraded the triangular shape, since the highly representation was small scale and lowest were large scale business entities. In this context it has contradicted exhaustively, since the sample was consisted with the duly established entities registered under the Chamber of Commerce. Least share was small scale ventures.

**Exhibit 3.2.2: Number of Employees Consisted (Percent)**



Source : Survey Data, 2021

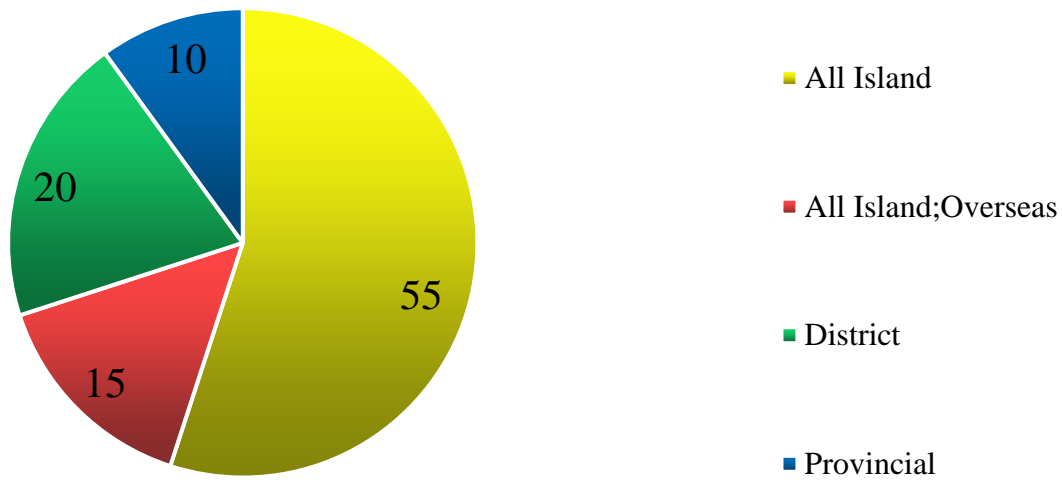
As per the exhibit 3.2.2, most of the companies have existed less than 10 employees. The second most representation was between 11 - 15, between 201 - 500, between 1001 - 5000 and 5000+ segments of companies. The minimum number of employees per entity was 2 and the maximum of the same was 10,000 employees (Exhibit 3.2.2:1 Number of Employees (Ext.))

**Exhibit 3.2.2:1 Number of Employees (Ext.)**

	N	Minimum	Maximum
No Employees	19	2	10,000
Valid N (listwise)	19		

Source : Survey Data, 2021

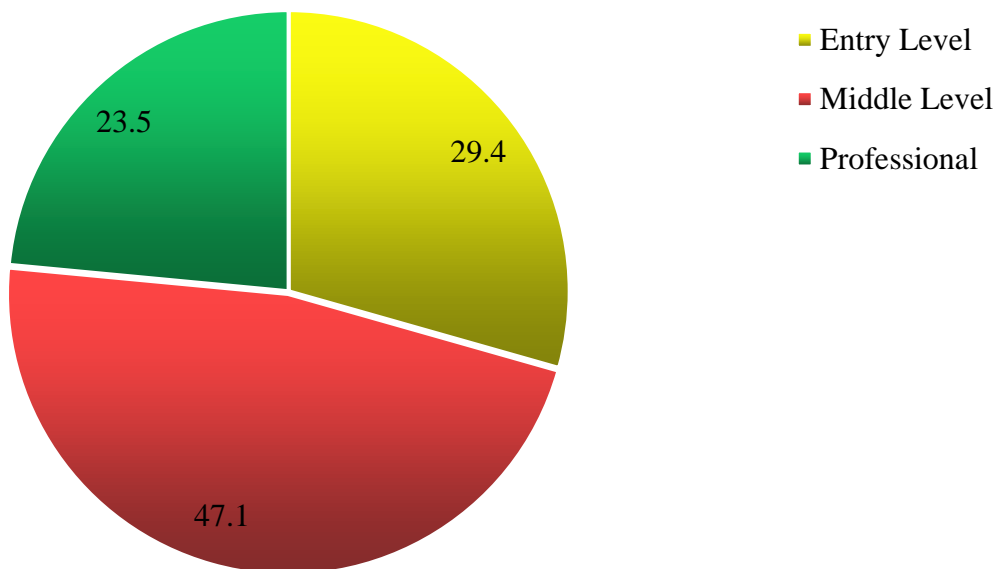
**Exhibit 3.2.3: Regional Presence of Companies (Percent)**



Source : Survey Data, 2021

The Exhibit 3.2.3 divulged the distribution of the operational works of the specific company. Thus majority of entities has located throughout the Island. Meanwhile 15 percent stated as coverage of overseas over the local scope. The provincial representation was marginal.

**Exhibit 3.2.4: Level of the Position of Job Categories (Percent)**



Source : Survey Data, 2021

The representation of all job categories in to 3 main levels with the value of hierarchy. Thus, the segmentation has been considered 17 job categories that have been received. Accordingly, most of the job categories pertain in to the Middle Level position. Least representation was Professional Level position.

**Exhibit 3.2.5 : Representation of Job Categories**

No	Job Categories
1	Fabric Technologist ( Lace )
2	Aluminium Fabricators
3	Data Analyst
4	Employees
5	Executive - Lean Enterprise
6	Executive - Senior Executive & Quality Assurance
7	Executive - Technical
8	Food handler, machine operators, cleaners
9	Graphic Designer
10	Head of Process Operations - Shared Service
11	Manager - Human Resources
12	Manager - manufacturing
13	Mechanic - Production Engineering
14	Senior Executive - Industrial Engineering
15	Software Engineer
16	Team Members
17	Technology Entrepreneur

Source : Survey Data, 2021

### 3.3 Analysis of Major Reasons caused on Disqualification of Candidates

#### Exhibit 3.3.1 : Major Reasons for being Disqualified of Candidates - Managerial/ Professional Category

Reasons for Disqualified	Responses	Percent	Percent of Cases
Educational Qualifications are not Suitable	6	10.50	42.90
Vocational Qualifications are not Suitable	1	1.80	7.10
Professional Qualifications are not Suitable	7	12.30	50.00
Candidates didn't perform well or smart in the interview	11	19.30	78.60
Salary requirement of job seeker has not been matched	7	12.30	50.00
Experience is not sufficient	10	17.50	71.40
Additional facilities required by job seeker have not been matched	6	10.50	42.90
Candidates were physically not fit	2	3.50	14.30
Candidates were overage	2	3.50	14.30
Candidates were mentally not fit	5	8.80	35.70
Total	57	100.00	407.10

a Dichotomy group tabulated at value 1.

Source : Survey Data, 2021

The Count column of the spreadsheet shows the number of respondents who mentioned the respective type of reasons for disqualified the candidates who applied for managerial/ professional category. Only unique responses were counted and, thus, each respondent can only be counted once in this column. Therefore, it can be concluded that the reason of “Candidates didn't perform well or smart in the interview” was the most effected reason for disqualified the candidates who represent the Managerial category at the selection process of interview. Reason of “Experience is not sufficient” was the second most effected reason for disqualified candidates. All other reasons for disqualified candidates were mentioned by only about 1 to 7 of the respondents.

The second column expresses the raw counts relative to the number of total responses, that is, the total of the first column. Thus, all reasons quoted by the respondents 19.30% of the expressed reason identified as “Candidates didn't perform well or smart in the interview”. In a sense, this column treats as the unit of analysis each reason preference mentioned by the respondents (and not the respondents themselves). By contrast, the third column of the



spreadsheet shows the percentage of respondents who mentioned the respective reason as either their first, second, or third preference. Here it can be seen that “Candidates didn’t perform well or smart in the interview” was identified as a most affected reason to disqualified candidates by 78% of all respondents.

**Exhibit 3.3.2 Major Reasons for being Disqualified of Candidates - Non Managerial/  
Administrative Category**

<b>Reasons for Disqualified</b>	<b>Response</b>	<b>Percent</b>	<b>Percent of Cases</b>
Educational Qualifications are not Suitable	5	7.90	33.30
Vocational Qualifications are not Suitable	7	11.10	46.70
Professional Qualifications are not Suitable	6	9.50	40.00
Candidates didn’t perform well or smart in the interview	11	17.50	73.30
Salary requirement of job seeker has not been matched	5	7.90	33.30
Experience is not sufficient	11	17.50	73.30
Additional facilities required by job seeker have not been matched	6	9.50	40.00
Candidates were physically not fit	5	7.90	33.30
Candidates were overage	3	4.80	20.00
Candidates were mentally not fit	4	6.30	26.70
<b>Total</b>	<b>63</b>	<b>100.00</b>	<b>420.00</b>

a Dichotomy group tabulated at value 1.

Source : Survey Data, 2021

The Count column of the spreadsheet shows the number of respondents who mentioned the respective type of reasons for disqualified the candidates who applied for non-managerial/administrative category. Thus, it can be noted that the reason of “Candidates didn’t perform well or smart in the interview” and the reason of “Experience is not sufficient” were the most effected reasons for disqualified the candidates who represent the non-managerial category at the selection process of interview. All other reasons for disqualified candidates were mentioned by only about 3 to 7 of the respondents.

The second column expresses the raw counts relative to the number of total responses, that is, the total of the first column. Thus, all reasons quoted by the respondents 17.50% of the

expressed reasons identified as reason of “Candidates didn’t perform well or smart in the interview” and the reason of “Experience is not sufficient”. In a sense, this column treats as the unit of analysis each reason preference mentioned by the respondents (and not the respondents themselves). By contrast, the third column of the spreadsheet shows the percentage of respondents who mentioned the respective reason as either their first, second, or third preference. Here it can be seen that reason of “Candidates didn’t perform well or smart in the interview” and the reason of “Experience is not sufficient” were identified as a most affected reasons to disqualified candidates at the rate of 73.3.% of all respondents.

### **Exhibit 3.3.3 Major Reasons for being Disqualified of Candidates - Technical Skill Staff**

<b>Reasons for Disqualified</b>	<b>Responses N</b>	<b>Percent</b>	<b>Percent of Cases</b>
Educational Qualifications are not Suitable	4	7.10%	26.70%
Vocational Qualifications are not Suitable	6	10.70%	40.00%
Professional Qualifications are not Suitable	6	10.70%	40.00%
Candidates didn’t perform well or smart in the interview	7	12.50%	46.70%
Salary requirement of job seeker has not been matched	7	12.50%	46.70%
Experience is not sufficient	8	14.30%	53.30%
Additional facilities required by job seeker have not been matched	6	10.70%	40.00%
Candidates were physically not fit	5	8.90%	33.30%
Candidates were overage	2	3.60%	13.30%
Candidates were mentally not fit	5	8.90%	33.30%
Total	56	100.00%	373.30%

a Dichotomy group tabulated at value 1.

Source : Survey Data, 2021

The Count column of the spreadsheet shows the number of respondents who mentioned the respective type of reasons for disqualified the candidates who applied for technical skill category. Thus, it can be observed that the reason of “Experience is not sufficient” was the most effected reason for disqualification of candidates who represent the technical skill category at the selection process of interview. Reason of “Candidates didn’t perform well or smart in the interview” and “Salary requirement of job seeker has not been matched” were

the second most effected reasons for disqualification of candidates. All other reasons for disqualified candidates were mentioned by only about 2 to 6 of the respondents.

The second column expresses the raw counts relative to the number of total responses, that is, the total of the first column. Thus, all reasons quoted by the respondents 14.30% of the expressed reason identified as “Experience is not sufficient”. In a sense, this column treats as the unit of analysis each reason preference mentioned by the respondents (and not the respondents themselves). By contrast, the third column of the spreadsheet shows the percentage of respondents who mentioned the respective reason as either their first, second, or third preference. Here it can be seen that “Experience is not sufficient” was identified as a most affected reason to disqualified candidates by 53.30% of all respondents.

**Exhibit 3.3.4 Summary Table - Major Reasons for being Disqualified of Candidates**

Status	Candidates didn't perform well or smart in the interview	Experience is not sufficient	Vocational Qualifications are not Suitable	Salary requirement of job seeker has not been matched
Managerial/ Professional			-	-
Non- Managerial/Administrative				-
Technical Skill Staff			-	

Source : Survey Data, 2021

1 - Most Affected      2 - Second most affected

The summary table is divulged the connectivity of Major Reasons for being Disqualified of Candidates with the level of position during the process of interview on selection for the each positions. Thus, most affected reason of Managerial/ Professional category was “Candidates didn't perform well or smart in the interview”. The same reason has been mostly affected to Non - managerial/ Administrative category as well. The most affected reason of Non - Managerial/ Professional category was “Experience is not sufficient” and the major reason for being disqualified of Technical Skill Staff candidates was the same reason.

### 3.4 Analysis of Skill Demand and Supply

#### Exhibit 3.4.1 Comparison between Skill Demand and Supply

The overall assessment of skill requirement for last five years (Demand ) and observation on the same period for lack of skills (Insufficient Supply) are inquired. 12 types of standard skills have been considered.

N, Response and Percent of Cases

		Responses		Percent of Cases
		N	Percent	
<b>Positive Thinking</b>	Demand	9	52.94%	60.00%
	Supply (Lack)	8	47.06%	53.33%
Total		17	100.00%	113.33%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Decision Making</b>	Demand	14	66.70%	93.30%
	Supply (Lack)	7	33.30%	46.70%
Total		21	100.00%	140.00%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Problem Solving</b>	Demand	15	65.20%	93.80%
	Supply (Lack)	8	34.80%	50.00%
Total		23	100.00%	143.80%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Communication Skill</b>	Demand	16	72.70%	100.00%
	Supply (Lack)	6	27.30%	37.50%
Total		22	100.00%	137.50%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Leadership</b>	Demand	13	68.40%	86.70%
	Supply (Lack)	6	31.60%	40.00%
Total		19	100.00%	126.70%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Team Work</b>	Demand	16	66.70%	94.10%
	Supply (Lack)	8	33.30%	47.10%
Total		24	100.00%	141.20%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Customer Orientation</b>	Demand	15	62.50%	93.80%
	Supply (Lack)	9	37.50%	56.30%
Total		24	100.00%	150.00%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Innovativeness</b>	Demand	15	68.20%	93.80%
	Supply (Lack)	7	31.80%	43.80%
Total		22	100.00%	137.50%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Language Skill</b>	Demand	13	68.40%	86.70%
	Supply (Lack)	6	31.60%	40.00%
Total		19	100.00%	126.70%

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases	
		N	Percent		
<b>Result Orientation</b>	Demand	15	62.50%	88.20%	
	Supply (Lack)	9	37.50%	52.90%	
Total		24	100.00%	141.20%	

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases	
		N	Percent		
<b>Interpersonal Relationship</b>	Demand	15	57.70%	93.80%	
	Supply (Lack)	11	42.30%	68.80%	
Total		26	100.00%	162.50%	

a Dichotomy group tabulated at value 1.

		Responses		Percent of Cases
		N	Percent	
<b>Ethical Consideration</b>	Demand	16	59.30%	94.10%
	Supply (Lack)	11	40.70%	64.70%
Total		27	100.00%	158.80%

a Dichotomy group tabulated at value 1.

Source: Survey Data, 2021

The extract of the above tables emphasized the high demand for all skills and observed the considerable incommensurate of almost all skills. The gap need to be prompted to a great extent is strictly concentrate except achieving Positive thinking or the least gap observed between supply and demand of skills. All the skills need is in great necessity of advancing for achieving, since the labor market demand is exceeded over the supply of quality labor.

### 3.5. Analysis on the Relationship between the Identified Factors

The attempt in this section is to address the relationship between the factors of supply and its influence on each level of job positions at the recruitment process. Along with the predefined key skill factors which effect to the variance of the recruitment decision are considered. Hence, it is heeded the influence on level of job positions by absence of the skills.

#### Exhibit 3.5.1 Lack of Skill - Positive Thinking vs Level of Job Position Crosstabulation

			Level of Position			Total
			Entry Level	Middle Level	Professional Level	
Positive Thinking	Obtained	Count	2	4	3	9
		Positive Thinking	22.20%	44.40%	33.30%	100.00%
Total		Count	2	4	3	9
		Positive Thinking	22.20%	44.40%	33.30%	100.00%

Source: Survey Data, 2021

Exhibit 3.5.1 denoted the influence of skills on the level of job positions. Thus, Middle Level job applicants have mostly required the skill called positive thinking to face interviews confidently.

**Exhibit 3.5.2 Lack of Skill - Decision Making vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Decision Making	Obtained	Count	1	3	3	7
		% within P3_Qi_13_Decision Making	14.30%	42.90%	42.90%	100.00%
Total		Count	1	3	3	7
		% within P3_Qi_13_Decision Making	14.30%	42.90%	42.90%	100.00%

Source : Survey Data, 2021

Decision making is a core component of middle level and professional level upon the selection and sustainability of the job position. However, exhibit 3.5.2 noted that decision making is the salient factor to be developed for both middle and professional level position at the entrance of the job market.

**Exhibit 3.5.3 Lack of Skill - Problem Solving vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Problem Solving	Obtained	Count	1	4	3	8
		% within P3_Qi_13_Problem Solving	12.50%	50.00%	37.50%	100.00%
Total		Count	1	4	3	8
		% within P3_Qi_13_Problem Solving	12.50%	50.00%	37.50%	100.00%

Source : Survey Data, 2021



As per the exhibit 3.5.3, and 3.5.4 Problem solving and communication skill have mostly been influenced respectively as an insufficient skill of middle level position at the screening stage of interview, whilst communication skill was not a challenge for professional level jobs.

**Exhibit 3.5.4 Lack of Skill - Communication Skill vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Communication Skill	Had not Obtained	Count	1	3	0	4
		Communication Skill	25.00%	75.00%	0.00%	100.00%
	Obtained	Count	1	2	3	6
		Communication Skill	16.70%	33.30%	50.00%	100.00%
Total		Count	2	5	3	10
		Communication Skill	20.00%	50.00%	30.00%	100.00%

Source : Survey Data, 2021

**Exhibit 3.5.5 Lack of Skill - Leadership vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Leadership	Had not Obtained	Count	2	2	0	4
		Leadership	50.00%	50.00%	0.00%	100.00%
	Obtained	Count	0	2	3	5
		Leadership	0.00%	40.00%	60.00%	100.00%
Total		Count	2	4	3	9
		Leadership	22.20%	44.40%	33.30%	100.00%

Source : Survey Data, 2021

Leadership skill has not a factor on facing interviews for professional level candidates. However, entry and middle levels should have to developed the leadership skill Exhibit (3.5.5).

**Exhibit 3.5.6 Lack of Skill - Team Work vs Level of Job Position Crosstabulation**

P3\_Qi\_13\_Lack\_SS\_TeamWork \* P3\_Qi\_1\_Position\_Level Crosstabulation

			Level of Position			
			Entry Level	Middle Level	Professional Level	Total
Team Work	Obtained	Count	1	3	3	7
		% within P3_Qi_13_Team Work	14.30%	42.90%	42.90%	100.00%
Total		Count	1	3	3	7
		% within P3_Qi_13_Team Work	14.30%	42.90%	42.90%	100.00%

Source : Survey Data, 2021

Exhibit 3.5.6 distinguishes the middle level and professional level job positions are needed to be developed the team work skill to perform well in interviews.

**Exhibit 3.5.7 Lack of Skill - Customer Orientation vs Level of Job Position Crosstabulation**

			Level of Position			
			Entry Level	Middle Level	Professional Level	Total
Customer Orientation	Obtained	Count	1	3	3	7
		% within P3_Qi_13_Customer Orientation	14.30%	42.90%	42.90%	100.00%
Total		Count	1	3	3	7
		% within P3_Qi_13_Customer Orientation	14.30%	42.90%	42.90%	100.00%

Source : Survey Data, 2021

Exhibit 3.5.7 connotes the requirement of the customer orientation to face interviews. Thus, middle level and professional level are mostly in the status of requirement the customer orientation skill.

**Exhibit 3.5.8 Lack of Skill - Innovativeness vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Innovativeness	Had not Obtained	Count	0	1	0	1
		% within P3_Qi_13_Innovativeness	0.00%	100.00%	0.00%	100.00%
	Obtained	Count	1	3	3	7
		% within P3_Qi_13_Innovativeness	14.30%	37.50%	48.20%	100.00%
Total	Count	1	4	3	8	
	% within P3_Qi_13_Innovativeness	12.50%	50.00%	37.50%	100.00%	

Source : Survey Data, 2021

Innovativeness and language skills have been become a crucial factor for the middle level job applicants especially over the professional level (Exhibit 3.5.8 & 3.5.9 respectively).

**Exhibit 3.5.9 Lack of Skill - Language Skill vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Language Skill	Had not Obtained	Count	0	3	0	3
		Language Skill	0.00%	100.00%	0.00%	100.00%
	Obtained	Count	1	2	3	6
		Language Skill	16.70%	33.30%	50.00%	100.00%
Total	Count	1	5	3	9	
	Language Skill	11.10%	55.60%	33.30%	100.00%	

Source : Survey Data, 2021

**Exhibit 3.5.10 Lack of Skill - Result Oriented vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Result Oriented	Obtained	Count	1	4	3	8
		% within P3_Qi_13_Result Oriented	12.50%	50.00%	37.50%	100.00%
Total		Count	1	4	3	8
		% within P3_Qi_13_Result Oriented	12.50%	50.00%	37.50%	100.00%

Source : Survey Data, 2021

Exhibit 3.5.10 shows the influence of result oriented skill on the screening process for the recruitment. Thus, middle level job applicants have mostly affected since lack of result oriented skill.

**Exhibit 3.5.11 Lack of Skill - Interpersonal Relationship vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Interpersonal Relationship	Obtained	Count	2	5	3	10
		% within P3_Qi_13_Interpersonal Relationship	20.00%	50.00%	30.00%	100.00%
Total		Count	2	5	3	10
		% within P3_Qi_13_Interpersonal Relationship	20.00%	50.00%	30.00%	100.00%

Source: Survey Data, 2021

Interpersonal relationship, ethical responsible and analytical skill have been met as demoting factors for middle level job applicant (Exhibit 3.5.11, 3.5.12 and 3.5.13 respectively).

**Exhibit 3.5.12 Lack of Skill - Ethical Responsible vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Ethical Responsible	Obtained	Count	2	5	3	10
		% within P3_Qi_13_Ethical Responsible	20.00%	50.00%	30.00%	100.00%
Total		Count	2	5	3	10
		% within P3_Qi_13_Ethical Responsible	20.00%	50.00%	30.00%	100.00%

Source : Survey Data, 2021


**Exhibit 3.5.13 Lack of Skill - Analytical Skill vs Level of Job Position Crosstabulation**

		Level of Position			Total	
		Entry Level	Middle Level	Professional Level		
Analytical Skill	Obtained	Count	1	4	3	8
		% within P3_Qi_13_Analytical Skill	12.50%	50.00%	37.50%	100.00%
Total		Count	1	4	3	8
		% within P3_Qi_13_Analytical Skill	12.50%	50.00%	37.50%	100.00%

Source : Survey Data, 2021

**Exhibit 3.5.14 Summary Table - Relationship between the Identified Factors**

No	Type of Skill (Obtained - OB/ Not Obtained- NOB)	Level of Position		
		Entry Level	Middle Level	Professional Level
1	Positive Thinking			
2	Decision Making			
3	Problem Solving			
4	Communication Skill			
5	Leadership			
6	Team Work			
7	Customer Orientation			
8	Innovativeness			
9	Language Skill			
10	Result Oriented			
11	Interpersonal Relationship			
12	Ethical Responsible			
13	Analytical Skill			

 **Mostly not Obtained**       **Mostly Obtained**

The Exhibit 3.5.14 demonstrated the supply of skills versus the level of job position considering the five years back period based on the observation made at the process of recruitment of personnel. Thus, segmentation has been done based on the mostly obtained and mostly not obtained skills by the each level of job position. Job aspirant of the Middle Level Job Category was mostly obtained almost 70 percent out of the overall skills. Further, communication, leadership, innovativeness and language skills were not mostly obtained. However, professional level has mostly obtained the aforesaid 4 skills which are mostly absence in the Middle Level. None of mostly obtained was observed in the Entry Level.

## **CHAPTER FOUR**

### **Conclusion and Recommendations**

#### **5.1 Conclusion**

The labor market behaves indiscriminately since the lapse of labour supply and interaction towards its own demand generates dilemma by the time employers expects own demand for labour and conflict arises with the supply of labor since inadequate skill composition of job aspirant. The visible time lag being embedded with the right time labor demand and prevailing underutilized or non-utilized labour without being exhausted. The study revealed the most critical obstacles experienced by the employers as Candidates didn't perform well or smart in the interview, Experience is not sufficient, Professional Qualifications are not Suitable and Salary requirement of job seeker has not been matched. Thus Candidates didn't perform well or smart in the interview was the major reasons for being disqualified of candidates at the Managerial and Non-Managerial as well. Another major reason for being disqualified of candidates who applied for Non-Managerial was insufficient experience. And the same reason has been affected to Technical Skill Staff as well. The utter urgency on availability of 12 types of standard skills is highly concerned since the absence of presence during the period of reviewing qualification and capabilities of candidates. The gap need to be prompted should strictly concentrate on achieving Positive thinking, Interpersonal Relationship and Ethical Consideration consecutively. It is indeed the skill gap observed that strictly caused on frustration the future plans of motivated youth and resultant on disappointment of work.

Further, obtaining soft skills by the job aspirant was marginal in entry level job categories. Whilst, the job aspirant of Middle level jobs has treated considerably high compared with other 2 segments. Eventually, the critical group affected was Entry Level as the attempt on triggering upon the labor market. Generally, magnitude of the said group is high and mostly in vulnerable. Hence, it can be concluded that the school to work transition is not in adaptable status that complied with the labor market plugins.

#### **5.2 Recommendations**

Inferring from the explorations made through the study, it is hereby trotted out recommendations as follows.

- Skills need for the job aspirant and adjacent segment has to be addressed carefully with necessary measures for rationale the classifications without being overlapped or superimposed. This will be made possible with inclusion of material components into curriculum inputs and practical training on attesting the skill composition of each individual to promote them on grabbing soft skills without being victimized at the trigger of school to work transition.
- \
- Approaches to tune mind sets of existing and potential job aspirant are vital to eliminate the biasness and stagnation. A well-planned series of workshops that recast with the prominent government agent on Career Guidance can achieve this requirement, unleashing their inner potential and promoting self- confidence as a viable option on sustainable career.
  - Development of ICT based platform is a shared responsibility and for any intervention to be effective there should be a synergy between efforts being made by different stakeholders to address the same issues. There is a need to create a mechanism that will make such a synergy possible include e- mechanisms at regional and national levels which involve elected representatives of urban and rural local bodies, government representatives and labor market conversant and responsible members of public among others.
  - The curriculum of education should be embedded with scope of soft skills as pertaining and practical experience need to be delivered to grab the externalities met.
  - It is recommended to establish a proper monitoring mechanism with the involvement of main stakeholders to ensure the sustainability of implementation on skill development projects synchronize with the curriculum. Further, it is recommended to establish committees at regional level to consult and monitor the scope and process and benefits and these committees need to be comprised with specialist and stakeholders in the relevant field. The said practices should look to involve support counselors as part of multidisciplinary approach when appropriate should support the traditional and practice in that reflects the value of reestablishing for all with advanced technology and developed mechanism.



- In order to enhance the standards of Skill Development system and build a protective environment, there is a need to develop standard protocols to define roles and responsibilities by the concern authorities. Such protocols should also lay down standards and procedures for effective development service delivery including enriched, preventive and statutory. An effective performance-based monitoring mechanism needs to be put in place to ensure accountability at various levels. Monitoring should be based on indicators of performance.
- Lack of awareness, undue doubts and fears prevailed in traditional mindsets on the skill achievement have slowed down or took away. Therefore, it is essential to build up strong understanding and confidence with implementation of newly designed programs to make people close with skill development matters.
- The existing/ potential institutions and organizations which provide training should implement employment assured training courses supplemented with a career guiding approach for the youths and par with the changes made since the Covid 19 outbreak.
- The responsible organizations need to assess the training needs of the career guidance - exposed youths in designing job oriented training programs fully dominant by the skill achievement.
- Implementing a mind-setting programme for the private sector establishments to promote the desire to absorb trained personnel will act as a booster in the vocational training arrangement with skill promotion, not only in employment provision, but also in securing training opportunities for any type of trainees.
- It is recommended to reformulate the Youth Organization with the supreme goal of developing youths where the career development, vocational training, employment affairs and self-employment are some objectives.
- In order to arrest potential harmful effects of developmental work on the culture, environment and community ethics, it is recommended to implement a social awareness among the community including the youths as to how they can reap the benefits from the

development programmes without being victimized and the other socially harmful waves.

- Establishment of corporate body to co-ordinate the Planning of Labor Market Mechanism (PLMM). This partnership can trigger a Ministerial order-making power to establish the partnership as a legally distinct corporate body. The aim of this provision is to allow corporate bodies to be formed to co-ordinate or further Planning, not as a corporate body that substantially delivers services in itself. As PLMM partnerships develop over time, they may wish to innovate and develop their co-operative working relationships and arrangements to allow the PLMM partnerships to have the option of establishing themselves as a distinct legal entity, independent from any one partner. The provision in the Act is permissive and enabling – the decision to form a corporate body of the PLMM partnership rests at the local level. Incorporation can only be triggered by an application of members of the partnership itself, which must include the local authority and one or more bodies participating in PLMM in the area. The application must specify the functions to be undertaken by the corporate body, details of the consultation undertaken and the outcome of the consultation. Broad agreement from the wider participants in the PLMM partnership would be required before a Minister would proceed with an order. This stops short of requiring unanimity among every participant in a PLMM partnership, but it is likely that all of the key agencies involved would need to be in agreement. The order will be subject to scrutiny and approval by the Parliament.

## REFERENCES

Central Bank of Sri Lanka, (2020), Economic and Social Statistics of Sri Lanka, Colombo. Central Bank of Sri Lanka.

Department of Census and Statistics, (2017 - 2020), Labor Force Survey Report, Colombo. Department of Census and Statistics.

Department of Census and Statistics, (2018), Annual Survey of Industries, Colombo. Department of Census and Statistics.

Department of Census and Statistics, (2017), Labor Labor Demand Survey, Colombo. Department of Census and Statistics.

Department of Labor, (2020). Covid 19 & Beyond - The impact on the Labour Market of Sri Lanka, Department of Labor.

International Labour Organization, (2020). Asia-Pacific Employment and Social Outlook, Navigating the crisis towards a human-centered future of work, International Labor Organization. .

Ministry of Education, (2019). Annual School Census of Sri Lanka. Battaramulla. Ministry of Education.

United Nations Development Programme, (2020). Human Development Reports: Human Development Index Ranking.

University Grant Commission, (2020). Sri Lanka University Statistics, University Grant Commission.

# Annexure



## Survey on Influence of Labor Demand and Supply on Substantial Labor Requirement of the Companies vested with the Channel of the Chambers

CONDUCTED BY

Department of Manpower and Employment, Ministry of Youth and Sports 9<sup>th</sup> Floor,  
Sethsiripaya ,Stage II, Battaramulla.



This survey is conducted to identifying the skill requirement and obstacles faced at recruitment and retention of labour. Your cooperation on providing most reliable and up-to -date information is highly appreciated. We assure the details that you provide will be used only for this survey and will be treated strictly confidential.

## Part - I

### Details of the Organization

- I. Scale of the Company : .....
- II. Industry Category Belong to (Please refer the annexure I) :

### III. Annexure I

1. Real State, Renting and business administration
2. Research and Development Survey
3. Transport and Storage
4. Whale Sale and Retail Trade Repair of Motor Cycles, and Personal and House hold goods
5. Agriculture, Animal Husbandry Forestry
6. Computer Related Service
7. Construction
8. Education
9. Electricity, Gas and Water Supply

- 10. Extra – Territorial Organization and Bodies
- 11. Financial Services
- 12. Fishing
- 13. Health and Social Works
- 14. Hotels and Restaurant
- 15. Manufacturing
- 16. Mining and Quarrying
- 17. Other Community, Social and Personal Service Activities
- 18. Public Administration and Defense, Compulsory Social Services

IV. Total Number of Employees: .....

V. Regional Presence (please tick the relevant box)

All Island	Provincial	District	Divisional	Other (Specify)

**Part - II**

VI. Please fill the following table in refer to last 5 years on your business sector (Please use more sheets

No	Description	Job Titles			
		Titles 1	Titles 2	Titles 3	Titles 4
1	Level of the Position (Entry, Middle, Professional)				
2	Age Limit (Min – Max)				
3	Gender Preference (See Annexure II)				

4	Required Basic Educational Qualifications (See Annexure III)				
5	Required Degree Qualifications (See Annexure IV)				
6	Required Higher Educational Qualifications (See Annexure V)				
7	Required Professional Qualifications (See Annexure VI)				
8	Required Vocational/ Professional Qualifications (See Annexure VII)				
9	Required Language Skills (See Annexure VIII)				
10	Required Job related special knowledge (Please Specify)				
11	Required soft skills (See Annexure - II)				
12	Required require previous experience (Please Specify) – Years / Months/ field				

VII. What are the major reasons you experienced for being disqualified of candidates for the above post? (Please put a right mark (✓) on appropriate box).

1. Qualifications are not suitable for the job

Educational	
-------------	--

Vocational	
------------	--

Professional	
--------------	--

2. Candidates didn't perform well or smart in the interview

Yes	No
-----	----

3. Salary requirement of job seeker has not been matched

Yes	No
-----	----

4. Experience is not sufficient

Yes	No
-----	----

5. Additional facilities required by job seeker have not been matched

Yes	No
-----	----

6. Candidates are;

Physically not fit		Over age		Mentally not fit	
--------------------	--	----------	--	------------------	--

**Annexure – II** (Please also use this attachment for questions VI of part 11)

7. Lack of Soft Skills (Please put a right mark (✓) on appropriate box)

Decision Making

Problem Solving

Communication

Positive thinking

Leadership

Team Work

Customer Orientation

Innovativeness

Language Skill

Result Oriented

Interpersonal Relationship

Ethical Responsible

Other (Please specify).....

**Annexure – III**

Male		Female		No Preference
Only	Preferred	Only	Preferred	

**Annexure – IV**

- Required Basic Educational Qualifications ( Please tick in relevant box and specify the grades as required )

G.C.E ( O/L)	<input type="checkbox"/>
--------------	--------------------------

Subject	Mathematics	Sinhala	English	Science	Other (Specify)
Expected Grade					

G.C.E ( A/L)	<input type="checkbox"/>
--------------	--------------------------

Subject Stream  
(Please tick in the relevant box)

Biology	Maths	Commerce	Art	IT
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Subject( Specify)	Subject 1	Subject 2	Subject 3	Subject 4
Expected Grade				

**Annexure - V**

- Required Degree Qualifications ( Please tick in relevant box)

General

Please specify the field.

Special

--



**Annexure VI**

- Required Higher Educational Qualifications ( Please tick in relevant box)

Post Graduate Diploma   
(specify).....

Master)   
(specify).....

M.Phil.   
(specify).....

PhD   
(specify).....

**Annexure VII**

- Required Professional Qualifications ( Please tick in relevant box)

	Expected Level
CIM <input type="checkbox"/>	.....
CIMA <input type="checkbox"/>	.....
ACCA <input type="checkbox"/>	.....
ICASL <input type="checkbox"/>	.....
AAT <input type="checkbox"/>	.....
LAW <input type="checkbox"/>	.....

Other (Please specify)

.....

**Annexure VIII**

- Required Vocational/ Professional Qualifications

Certificate  (specify).....

Diploma  (specify).....

Higher Diploma  (specify).....

## Annexure IX

- Required Language Skills

	High	Moderate	Fair
Sinhala	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
English	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tamil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 
1. Company Name : .....
  2. Contact Details: .....

### **Questionnaire Guidelines**

**[Please note that the link for Google Form for the soft copy of the questionnaire is <https://docs.google.com/forms/d/10Eqk9pP-mcwWs8UvVoFhHObw925uCuQte4dI4zXKbqw/edit>]**

- ❖ Please kindly provide the answers to all the questions.
- ❖ One questionnaire relate to four job categories ( If your company has 40 job categories, kind enough to fill 10 questionnaires separately)

**- Thank You for Your Kind Co-operation -**