Lecture 1.2
HRM IN SRI LANKA
Developing Discipline

One of the most followed and sought after subjects amongst students, discipline growing in stature
Developing Discipline

- Medicine, Law, Architecture
- Engineering
  - IT, Computer Science
  - Accounting & Finance
- Science
- Business
  - Marketing
  - General
  - HRM
- Arts, Language Education
  - Social Science
  - Fashion/Apparel
  - Hospitality
Developing Discipline

▷ HRM as discipline and subject increasing in popularity amongst students

▷ Acceptable career path

▷ Gained visibility and importance in recent decades

▷ Number of degrees, courses, qualifications increasing- supply of HR professionals
HRM-Major Business Challenge

HRM remains one of the key obstacle for enterprises from all industries
Human resource challenges for tourism industry and way forward

By Charumini de Silva

The first ever Sri Lanka Human Capital Summit organised by the Association of Human Resource Professionals of Sri Lanka and the National Human Resources Development Council, covered the shortage of skills and manpower faced by the tourism industry. The session involving international and local experts focused on some of the global best practices, opportunities and challenges faced by the Sri Lanka tourism industry.

Labour shortage in key sectors will hold Sri Lanka back

Hospitality sector human resource dearth worse than estimated

The hospitality sector human resource shortage is far worse than previously estimated, according to the National Human Resource Development Council (NHRDC) of the Policy Planning and Economic Development Ministry.

"Currently there are 298,000 employees in the hotels and we'll require around 200,000 more by..."
HRM-Major Business Challenge

▷ Labor shortage in key industries-skilled and unskilled

▷ Lack of skilled, qualified talent pool

▷ Employee turnover

▷ Absenteeism/lost productivity

▷ Labor shortage key hindrance to industries such as apparel, construction, IT/BPO, Tourism
Class Discussion

Explain the reasons behind labor shortage & constant turnover in Sri Lanka
HRM in SME

Mapping the role of HRM in Small-Medium Sized Enterprises in Sri Lanka
HRM in SME

Startup Phase

▷ Entrepreneur/business manager actively involved in recruitment, selection, training, mentoring

▷ Developing policies, signing offer letters, agreements, payroll
HRM in SME

Growth Phase

▷ Hires HR executive when 20-30+ staff

▷ Recruitment, offer letters, agreements, payroll, performance appraisal, EPF, ETF, other compliance, exit

▷ Sometimes shared with Administration function
HRM in SME

Maturity Phase

▷ Hires HR team with HR Manager & executives

▷ Recruitment, offer letters, agreements, payroll, performance appraisal, EPF, ETF, other compliance, annual events, awards
HRM in SME

▷ From startup to maturity phase, even for large companies HR focused on operational aspects

▷ Facilitate day to day running and operations

▷ Often clubbed/overlapped with administration function

▷ Viewed as support function, not core competency
HRM in SME

- Entrepreneurs prioritize sales, marketing, operations—more direct line of sight

- HRM not given same importance
HR managers devote more time to operational issues than to strategic issues. The time spent in a strategic role is diluted by the time spent dealing with operational issues.

HR is not viewed as a key business related function in most organizations and HR managers are believed to possess narrow exposure.
At Virgin, clients do not come first. Employees come first! If you take care of your employees they will take care of the customers

Richard Branson
A Test To Determine Importance Of HRM In Organizations

**CEO**
How many CEO’s come from HRM background?

**Board Of Directors**
How many board of directors come from HRM background?
The head of human resources of a company should be at least as important as a CFO

Jack Welch
HRM Challenges

Exploring the root causes of HR related issues in Sri Lanka
Employer + Employee = HRM Challenges
HRM Challenges - Employer

▷ HRM viewed as operational function than strategic function

▷ Human capital not considered source of competitive advantage

▷ Level of HRM activities in majority of organizations insufficient

▷ Knowledge Vs Requirement Gap
HRM Challenges

Not Just A One Sided Problem

▷ Migration, overseas employment

▷ Labor law geared towards employees
  ▪ The Socialist Effect

▷ Commitment, diligence, sincerity of workforce
  ▪ Jobs Available Vs Employee Supply
  ▪ Dependency Syndrome

▷ Exit of Baby Boomers From Workforce, Millennials-Who Place Needs For Instant Gratification
Sri Lanka
1990  
Population: 17,330,000

Sri Lanka
2016  
Population: 20,810,000

https://populationpyramid.net/sri-lanka/2050/
HRM Challenges

Effect Of Ageing Population

▷ Shrinking national labor force
▷ Strain on public financing
▷ Pressure on national healthcare system
▷ Retirement schemes, senior citizen care
▷ “The Elderly” – to be Redefined
HRM Challenges

- Labor Shortage
- Turnover

Influences Sri Lankan HR Practices Greatly
Class Discussion
Who is responsible for the HR challenges in Sri Lanka?
My Personal Goal

As a Lecturer
My Personal Goal

- Beyond course objectives, after the completion of this course, you will understand and appreciate
  - There is more to HR than hiring and firing
  - View employees, workers, laborers as human capital who can be a source of competitive advantage
  - Help you understand and learn to deal with HR challenges in SL
Thanks!

Any questions?

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