

CAUSES OF SHORTAGE OF SKILLED LABOUR IN SELECTED  
CONSTRUCTION COMPANIES IN TRINCOMALEE TOWN AND  
GRAVETS



BY

NIVETHIKA RAVEENDRAN

REG NO: EU/IS/2015/MS/03

INDEX NO: MS 1753



A Project Report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration (Specialization).

DEPARTMENT OF MANAGEMENT  
FACULTY OF COMMERCE AND MANAGEMENT  
EASTERN UNIVERSITY, SRI LANKA

2020

**PROCESSED**  
MAIN LIBRARY, EUSL

## ABSTRACT

Skilled labour is a key resource that has a direct impact on the success of any construction project. This study analyses the present situation of the construction industry with respect to skilled labour by assessing the need to increase the number of skilled labourers and their skill level. So far lack of research has been carried out in Sri Lanka to identify various factors affecting shortage of skilled labour at all levels of the construction industry, the factors are not prioritized in terms of their relative levels of influence on the shortage of skilled labour. The objective of this study is to identify the extent of factors influencing on the shortage of skilled labour in the selected construction companies, in Trincomalee Town and Gravets. This study adds to existing body of knowledge by exposing the reasons for shortage of skilled craftsmen in the construction industry.

The survey is administered to 143 labours who are working in construction companies especially, in Trincomalee Town and Gravets and sample selected through stratified random sampling method. Statistical Package for Social Science (SPSS 25.0) was used to present, analyze and evaluate data.

Researcher found that labours perceive that lack of training, inadequate remuneration, rapid change in technology, demotivation and varying working conditions have high level of influence on shortage of skilled labour. Among them lack of training and inadequate remuneration are highly influence than other factors.

***Keywords:* Shortage of Skilled Labour, Lack of Training, Inadequate Remuneration, Rapid Change in Technology, Demotivation, Varying Working Conditions**

## TABLE OF CONTENTS

	Page No.
<b>ACKNOWLEDGEMENT</b>	i
<b>ABSTRACT</b>	ii
<b>TABLE OF CONTENTS</b>	iii
<b>LIST OF TABLES</b>	vii
<b>LIST OF FIGURES</b>	viii
<b>ABBREVIATION</b>	ix
<b>Chapter-1: INTRODUCTION</b>	<b>1- 7</b>
1.1 Background of the Study	1
1.2 Problem Statement / Research Gap	2
1.3 Research Question	4
1.4 Research Objectives	4
1.5 Scope of the Study	5
1.6 Significance of the Study	5
1.7 Organization of Chapter	6
1.8 Chapter Summary	7
<b>Chapter-2: LITERATURE REVIEW</b>	<b>8- 19</b>
2.1 Introduction	8
2.2 Skilled Labours	8
2.3 Importance of Skilled Labours	9
2.4 Causes of shortage of skilled labour	11
2.4.1 Lack of Training	11
2.4.2 Inadequate Remuneration	12
2.4.3 Rapid Change in Technology	13
2.4.4 Demotivation	13
2.4.5 Varying Working Conditions	14
2.5 Effects of Shortage of Skilled Labours	15
2.6 Solutions to Tackle Shortages of Skills	16
2.7 Chapter Summary	19
<b>Chapter-3: CONCEPTUALIZATION AND OPERATIONALIZATION</b>	<b>20- 24</b>
3.1 Introduction	20
3.2 Conceptualization	20

3.3	Conceptual Framework	20
3.4	Definition of Key Concept and Variables	21
3.4.1	Lack of Training	21
3.4.2	Inadequate Remuneration	21
3.4.3	Rapid Change in Technology	21
3.4.4	Demotivation	22
3.4.5	Varying Working Conditions	22
3.4.6	Shortage of Skilled labours	22
3.5	Operationalization	23
3.6	Chapter Summary	24
<b>Chapter-4: RESEARCH METHODOLOGY</b>		<b>25- 39</b>
4.1	Introduction	25
4.2	Research Philosophy	26
4.3	Research Approach	26
4.4	Research Strategy	27
4.5	Methodological Choice	27
4.6	Time Horizons	28
4.7	Research Site	28
4.8	Population of the Study	28
4.9	Sampling and Sampling Method	29
4.9.1	Sampling	29
4.9.2	Sampling Method	29
4.10	Sample Size and Sampling Framework	30
4.10.1	Sample Size Determination	30
4.10.2	Sampling Framework	31
4.11	Method of Data Collection	32
4.11.1	Primary Data	32
4.11.2	Secondary Data	32
4.12	Questionnaire Administration	33
4.13	Source of Measurements	34
4.14	Reliability Analysis and Validity Analysis	35
4.15	Unit of Data Analysis	35
4.16	Methods of Data Analysis	36

4.16.1	Univariate Analysis	36
4.16.2	Cross Tabulation	37
4.17	Methods of Data Evaluation	37
4.17.1	Decision Rule for Univariate Analysis	37
4.18	Method of Data Presentation	38
4.19	Ethical Consideration	38
4.20	Chapter Summary	39
<b>Chapter-5: DATA PRESENTATION AND ANALYSIS</b>		<b>40 -52</b>
5.1	Introduction	40
5.2	Analysis of Reliability	40
5.3	Data Presentation and Analysis of Demographic Information	41
5.3.1	Frequency Distribution of Gender of Respondents	41
5.3.2	Distribution of Age Group of the Respondents	41
5.3.3	Distribution of Marital Status of the Respondents	42
5.3.4	Distribution of Working Years of the Respondents	42
5.3.5	Distribution of Appointment Type of Respondents	43
5.4	Data Presentation and Analysis of Research Objectives	43
5.4.1	Mean and Standard Deviation for Shortage of Skilled Labour	43
5.4.1.1	Descriptive Analysis for Lack of Training	44
5.4.1.2	Descriptive Analysis for Inadequate Remuneration	45
5.4.1.3	Descriptive Analysis for Rapid Change in Technology	46
5.4.1.4	Descriptive Analysis for Demotivation	47
5.4.1.5	Descriptive Analysis for Varying Working Conditions	48
5.5	Cross Tabulation Analysis for Personal Information	49
5.5.1	Gender of the Respondents	49
5.5.2	Age of Respondents	49
5.5.3	Marital Status of Respondents	50
5.5.4	Working Years of Respondents	51
5.5.5	Appointment Type of Respondents	51
5.6	Chapter Summary	52
<b>Chapter-6: DISCUSSION ON FINDINGS</b>		<b>53 -59</b>
6.1	Introduction	53
6.2	Discussion of Personal Information	53



6.2.1	Gender of Respondents	53
6.2.2	Age Group of Respondents	53
6.2.3	Marital Status of Respondent	54
6.2.4	Working Years of the Respondents	54
6.2.5	Appointment Type of Respondents	54
6.3	Discussion of Research Information	55
6.3.1	Extent of Lack of Training and Its Indicators	55
6.3.2	Extent of Inadequate Remuneration and Its Indicators	56
6.3.3	Extent of Rapid Change in Technology and Its Indicators	56
6.3.4	Extent of Demotivation and Its Indicators	57
6.3.5	Extent of Varying Working Conditions and Its Indicators	58
6.3.6	Shortage of skilled labour	59
6.4	Chapter Summary	59
<b>Chapter-7: CONCLUSIONS AND RECOMMENDATIONS</b>		<b>60 -65</b>
7.1	Introduction	60
7.2	Conclusion	60
7.2.1	Objective One	60
7.2.2	Objective Two	61
7.2.3	Objective Three	61
7.2.4	Objective Four	61
7.2.5	Objective Five	62
7.3	Contributions of the Study	62
7.4	Recommendations of the Study	63
7.4.1	Lack of Training	63
7.4.2	Inadequate Remuneration	64
7.4.3	Rapid change in Technology	64
7.4.4	Demotivation	64
7.4.5	Varying Working Conditions	64
7.5	Limitations of the Study	64
7.6	Direction for Future Research	65
<b>LIST OF REFERENCES</b>		<b>66</b>
<b>APPENDIX – A (QUESTIONNAIRE)</b>		<b>74</b>