

## **EXECUTIVE SUMMARY**

### **The Electrical and the Electronics Industry:**

Both the Electrical and the Electronics manufacturing industry is reported to be stilted in their infancy in Sri Lanka. However, of the two, the latter is far behind the former by perhaps, twenty years. Further, the majority of organizations in these sectors may be classified as SMEs-small and Medium Enterprises, many of which employ less than ten permanent employees. It was also observed that as much as 90% of such organizations were concentrated in the western province, particularly in Colombo and Gampaha Districts. Firms with foreign collaborations are a minority, in these sectors.

A considerable number of organizations in the Electrical and the Electronics sector had commenced commercial operations between the years 1980 and 2000. However, the industry as a whole, neither positioned itself as a provider of Electrical and Electronics components, nor catered to the needs of the global market, as in the case of Taiwan, for example. Hence, very little foreign direct investment (FDI) had been made in these sectors, in Sri Lanka. Organizations within the industry also faced an acute shortage of training to recruit, but due to cost constraints, training thus offered was very basic.

### **Future of the industry**

At least three different views were expressed with regard to the growth potential of the industry: (a). 26% of those interviewed stated that the industry would grow further, (b). 41% of those interviewed stated that the industry had reached the saturation point, given restricted domestic market demand, and (c). 33% of respondents stated that the industry was in the declining stage.

### **Human Resources**

Currently, only a small number of institutions offer vocational training courses in Electrical and Electronics, which also include a few tutor-type sole-proprietorships, and partnerships, which, mostly concentrate on Computer hardware engineering, but lack recognition.

It was also observed that courses thus offered were obsolete to a great extent and were also very much theory-centered, with very little hands-on practical's. Further, the absence of proper application-oriented training also was a negative factor, necessitating practical training for recruits, by the employers.

### **Employment**

It was also observed that almost all those who possessed some form of training were successful in securing employment, as the aggregate demand of labor far exceeds the aggregate supply of laboring in this industry.

### **Gender Analysis**

The gender distribution in the industry is male-dominant and the overall male percentage is as high as 90% of the total employed. The situation was similar in both sectors of the industry.

### **Age Analysis**

With respect to the age groups, the majority of employees belonged to the age group of 18-29 (54%), and interestingly, the older age group i.e. above 45, consisted of only 7.5%. This could be due to the fact that this industry itself was in its infancy, had attracted the younger age groups or those who recently completed secondary and/or technical education. This trend could be considered encouraging as the past tendency in Sri Lanka was to opt for an accounting or a marketing career. However, the question is to what extent the technical courses offered were capable of fulfilling the job-market requirements.

### **Education Level**

The education level of the current employees were found to be GCE (O/L) and GCE (A/L), and the front-line management possessing GCE (A/L) and/or Diploma level qualifications, specially in the categories of : Supervisors and Foreman. Those in General management possessed Bachelor degree and/or professional qualifications.

### **Current Training**

The skills training offered by organizations to Workers were mainly in-house, although a small percentage of 10%- 12% had received training through external institutions, previously. Such paper qualifications were considered inadequate by employers due to the practical component being meager. This was clearly evident from the opinion of the current employees (89%) who stated that the new recruits needed in-house training.

### **Training Institutions**

The main training providers and the courses offered are given below:

Table # 1

Name of Institution	Course offered
University of Moratuwa (Institute of Technology)	National Diploma in Technology
Dept.of Technical Education & Training	National Certificate in Engineering practice
Sri Lanka Institute of Advanced Technical Education	Higher National Diploma in Engineering
National Apprenticeship & Industrial Training Authority	National Diploma in Engineering Sciences
Vocational Training Authority of Sri Lanka	Training in Radio & Television repairing & servicing

In addition to the above, The University of Moratuwa, The University of Peradeniya, The University of Ruhuna, The Sabaragamuwa University of Sri Lanka, The University of Wayamba, The Open University of Sri Lanka, The Arthur C.Clark Center, and the Ceylon-German Technical Training Institute offered craft/Technical level courses '

Since the Universities produce graduates targeted at different categories of industries, there is a requirement for technical personnel to provide the manpower requirement of the manufacturing industries. However, most of the technical institutions neither provide sufficient number of the vocational training courses offered were of duration of either 12 or 24 months. Despite this, input was considered inadequate, and said to be lacking in depth.

### **Training Requirements**

Considering the projected employment figures and the annual labor turnover, the total number required to be trained in the operative category had been estimated to be around 4,510.and 5,006 for years 2005 and 2006.

The above requirement was for “technical” workers. Hence, the proposed training should be enriched with hands on application. Otherwise, Organizations would continue to give preference to internally qualified to those externally qualified.