

**AN EMPERICAL STUDY ON
DETERMINANTS OF TALENT SHORTAGE
IN THE HOTEL INDUSTRY IN SRI LANKA**

BY

R K GUNAPALA

**Thesis submitted to the Faculty of Graduate Studies,
University of Kelaniya, Sri Lanka
as a partial fulfillment of the requirements for the Degree of
Master of Human Resource Management**

August, 2014



ABSTRACT

When reviewing the main issues related to tourism in Sri Lanka today, one identified problem is talent shortage in the Hotel Industry. With the development of the Tourism Industry after the war, many job opportunities have been created in the Hotel Industry. This will be further expanded during the next five years. As a labour intensive industry, people factor plays a major role in the Hotel Industry. Meeting the demand for required appropriate talent is becoming a challenge for many HR Professionals in this industry. Therefore, the purpose of this study is to explore the factors affecting the Talent Shortage in the Hotel industry in Sri Lanka.

A sample of 50 hotels was selected for the purpose of data collection and a separate questionnaire was used to collect the data related to the variables of the study. 43 hotels responded and analysis of data was done with the usage of correlation and regression methods. It was found that these variables have a significant effect on Talent Shortage in the hotel industry in Sri Lanka. Further, it was found that there is a high talent shortage in the hotel industry in Sri Lanka. In case of factors it was found salary, career advancement opportunities, image/perception, educational opportunities and working hours have a significant impact on the Talent Shortage in this industry. Therefore, in order to reduce the Talent Shortage it is recommended to increase the basic salary of employees, provide more career advancement opportunities and take every step to create a good image about the hotel sector. Further employers should look into the fact of long working hours in the hotel industry. On the other hand, the government should take initiatives to establish quality hotel schools/institutions to provide more educational opportunities to those who are interested to pursue their career in hospitality field.

Key words: Talent Shortage, Salary, Working Hours, Educational Opportunities, Image/Perception