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**UNITED NATIONS INDUSTRIAL  
DEVELOPMENT ORGANISATION**

**PILOT PROJECT FOR ENTERPRISE RESTRUCTURING**

**SRI LANKA  
US/SRL/93/021**

**CONTRACT NO. 95/035P  
MANAGEMENT DEVELOPMENT TRAINING**

**FINAL REPORT**



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## **1. Background**

Unido launched a project in (1995) in Sri Lanka to assist and strengthen ten pre-selected enterprises, as a pilot project aimed at enhancing the competitiveness of the private sector industry. Under this project exhaustive studies were carried out to diagnose each enterprise from a number of perspectives and measures to strengthen its competitive advantage were developed. One of the activities were to assess the managerial skills available in each of those enterprises and to identify training and development needs. Several training programmes were designed to cater to needs identified and were successfully conducted.

## **2. Objectives**

The main objective of this report is to highlight common managerial skill deficiencies identified in the enterprises covered and to suggest appropriate policies to cater to those needs from a national perspective.

The report also contains a summary of management training facilities offered by Universities and national institutions in the country.

## **3. Methodology**

The personal data collected at the needs - assessment stage and depth - interviews conducted subsequently with the key managers of the enterprises formed the source for identifying managerial skill deficiencies in the selected enterprises.

Summary of management training facilities offered by universities and national institutions were obtained by studying the prospectuses, hand-books and other related publications by the institutions and through informal interviews with the course co-ordinators, registrars and other officers in-charge of such programmes.

#### **4. Key Skill - Deficiencies Identified**

##### **4.1 Lack of Strategic Planning and Management Skills**

In the organisations surveyed a common weakness which was seen is the lack of continuous scanning of the external environment to identify opportunities and threats and turning these into profitable business opportunities for the organisation. Plans for expansion are mostly product or resource based rather than market opportunities. Poor knowledge and skills in marketing among top managers of these organisations is also a contributory factor towards poor strategic planning and management of these enterprises.

##### **4.2 Lack of Marketing and Sales Management Skills**

Marketing management skills are either completely lacking or weak in the enterprises visited. Understanding of concepts such as market segmentation, target marketing, positioning and formulation of effective marketing communications were found to be very weak. In sales management areas, needed for improvement was mostly in negotiating skills and development and management of effective distribution systems. Though there were a few middle level managers qualified in marketing, working in these organisation understanding of the concepts and emphasis given to marketing at top level was inadequate.

#### **4.3 Lack Organisational Development and human resource development skills**

Another key weakness seen in these enterprises is the lack of planned development of technical and managerial resources within the organisation. Top managers lack skills for planning and implementation of such programmes. Some of them who have developed themselves into their current positions do not see that others can also be developed through systematic training and development programmes. Lack of awareness of programmes available from external sources also add to this deficiency.

If they are looking at their future from a strategic point of view and has developed long term plans organisational development and human resource development will be a part of those plans. Setting up of performance targets will lead to identification of human resource gaps.

#### **4.4 Lack of Operation Planning and Management Skills**

In all the organisations visited there was a lack of sufficient skills in operations management capable of achieving high PDQC targets through increasing productivity, internal efficiencies and thereby competitive advantage. Production management and industrial engineering techniques are inadequately used and there is no great effort taken towards implementation of these. Operational planning and coordination was also found to be weak and this increased costs and high stress levels to all employees in achieving targets.

#### **4.5 Quality Management Skills**

Quality is recognised as an important parameter in all organisations but the training and effort which has gone into develop quality management skills is inadequate. Wherever quality is recognised as an important parameter the

practice is to control quality at the end point of the production process rather than quality assurance beginning from points at which they acquire resources into the manufacturing system. The young professional managers in a few organisations are aware of quality management and taking some efforts within their departments to change the situation.

#### **4.6 Use of Information Technology for Decision Support System**

Use of computers was either for ornamental or a few mundane tasks such as word-processing or accounting tasks. It is not being used for generating control information even on an off line basis. Low skills in operations management and lack of planning skills could be the main reason for this situation. Some enterprises though they have received computers and other equipment under various aid schemes those have not been put to good use such as generating control information on a timely basis which would have helped these organisation to improve their efficiency and effectiveness.

### **5. Formal Training Facilities Available**

#### **5.1 First Degree Level Programmes conducted by the national Universities**

Five national universities offer four year degree courses in business and industrial management. Those are:

<b>University</b>	<b>Degree</b>	<b>Medium</b>
University of Colombo	B.B.A.	English/Tamil
University of Sri Jayewardenepura	B.Sc (Business-Administration)	English/Sinhala
University of Kelaniya	B.Sc (Industrial-Administration)	Sinhala
University of Jaffna	B.B.A	Tamil
Eastern University (Batticaloa)	B.B.A	English/Tamil

Open University and Affiliated Colleges in Southern and North Central provinces offer a Certificate/Diploma Course in Entrepreneurship and Small Business Management.

Open University also offer a two year Diploma in Management and are also in the process of developing a four year degree course in Business Administration. In addition to the above mentioned full time degree courses, Sri Jayewardenepura, Colombo and Kelaniya Universities allow their B.Sc Undergraduates to take Business Administration or Industrial Administration as a subject in combination with other science subjects. There are also private institutions offering first level degrees in Business Management in collaboration with foreign universities.

To enter into a national university to follow the degree course in management one has to get through Accounting, Commerce and Finance, Economics and another subject at G.C.E. Advance Level: However one has to get extremely good results to gain entrance to one of those courses since the competition is very heavy.

The other degree course useful to those joining small and medium industries is B.Com degree awarded by all seven national universities. Universities of Peradeniya, Colombo, Sri Jayewardenepura, Kelaniya, Jaffna and Batticaloa (Eastern) offer four year degree courses in English, Sinhala or Tamil mediums. Entry requirements to these courses are similar to required by management degree programmes. Competition at entry level is high for B.Com. courses too.



## **5.2 Post Graduate Degree Programmes**

Post Graduate Institute of Management (P.i.M.) affiliated to University of Sri Jaywardenepura and Faculty of Graduate Studies of University of Colombo offer Master of Business Administration Degree (MBA) programmes. P.I.M. offers an option of obtaining a Master of Public Administration (MPA) Degree by following the core courses of the MBA programme and three electives in the Public Administration and Policy area.

Entry requirements include a Bachelor's degree from a university and at least three years executive experience. Professional qualifications recognised by the universities as equivalent to a Bachelor's degree and three years post-qualifying experience in an executive capacity is also recognised as an alternative qualification to what was mentioned earlier. Both the institutions conduct these programmes in English and include case studies, case discussions, individual and group projects and presentations in addition to lectures and regular examinations.

University of Colombo annually enrolls 60 students for their MBA programme. However, the number passing out is between 30 and 35 per annum. PIM has a maximum limit of 40 students per any course session but their annual intake is about 75. Number passing out will be between 35 and 40.

## **5.3 Post Graduate Diploma and other Diploma Programme**

University of Colombo offers a Post Graduate Diploma in Business Management programme to those holding a Bachelor's Degree or an equivalent qualification from the same university. Work experience is not required to enroll for this programme and the objective is to enhance the acceptance of those graduates in the job market. This is a full time course of

one year duration and comprising of 8 compulsory course units and 3 months internship in a business establishment under the supervision of one of the faculty members. Annual intake for this programme will be 30 participants.

P.I.M. offers a Post Graduate Diploma in Management (PDM) programme on a full time or part time basis. Entry qualification for these programmes is a degree or equivalent qualification and at least two years of executive experience. These programmes consist of eight compulsory core-courses and four elective courses chosen from one or more areas of specialization. Areas of specialization related to business management are Marketing, Production and Technology and Management Information Systems. Those who complete PDM earns 11 out of 20 credits required for MBA programme.

Executive Diploma in Business Administration offered by the University of Colombo is meant to provide higher level training to executives and to educate and train them for higher grade executive positions. The curriculum has been drawn to encompass a wide range of subjects falling within the frontiers of Business Management Studies. This programme runs through one academic year and is held as a part-time programme. Annual intake is 60 students for this programme and even managers/executives with only G.C.E. (Ordinary Level) qualification but having experience will be admitted for this programme.

Open University also offers a Post Graduate Diploma in Management. This programme is of one year duration and the students have to carry out self studies and complete course assignments and pass written examinations. Executives with a Bachelor's Degree or equivalent qualifications can enter this programme.

Outside the University system the following institutes also offer part time Post Graduate Diploma Programmes.

<u>Course</u>	<u>Institution</u>	<u>Duration</u>
Diploma in Business Management	NIBM	12 months
Advanced Diploma in industrial Engineering	NIBM	12 months
Diploma in Marketing Management	NIBM	13 months
Diploma in Personnel Business Management	NIBM	12 months
Post Graduate Diploma in Business and Financial Administration	The Institute of Chartered Accountants of Sri Lanka	12 months
Diploma in Quality Management	Sri Lanka Standards Institution	9 months
Diploma in Business Management	Sri Lanka Business Development Centre	12 months

\* NIBM stands for National Institute of Business management,

All the above programs except the last two (Nos 6 and 7) require the applicants to possess a degree or equivalent professional qualifications and at least two years of post qualifying experience at an executive level. NIBM conducts the two Diplomas in Business and Personnel Management in English and Sinhala Languages. All other Diploma programmes are held only in English. Each course will enroll 30 - 40 participants per batch.

NIBM also conducts two other diplomas in computer based information systems. Diploma in Computer Systems Design is a one year full time programme which is repeated three times a year. This programme is for school leavers with GCE Advanced Level qualification. Higher Diploma in Computer based Information Systems is a two year programme with first year being the Diploma in Computer Systems Design,. In the second year, this course covers a few subjects in business management in addition to advanced courses in compute system design.

#### 5.4 Certificate Courses

There are many certificate courses conducted by NIBM and Sri Lanka Business Development Centre (SLBDC). NIBM conducts 13 different certificate courses out of which the following will be most relevant to the managers and executives in small and medium industrial sector. These are:

1. Certificate Course in General Management (English).
2. Certificate Course in Human Resource Management (Sinhala).
3. Certificate Course in Materials Management (English).
4. Certificate Course in Supplies/Stores Management (English).
5. Certificate Course in Productivity (English).
6. Certificate Course in Personal Computer based application packages (English).
7. Certificate Course in Supervisory Management (Sinhala).

These programmes are run once a year.

SLDDBC runs five different certificate courses and these are as follows:

1. Certificate Course in Business Management (English and Sinhala) - 6 months.

2. Certificate Course in Marketing (English/Sinhala) - 4 months.
3. Certificate course in Personnel Management (English only) - 3 months.
4. Certificate Course in Production Management (Sinhala only) - 5 months.
5. Certificate Course in Export Marketing (English only) - 3 months.

These programmes are of 3 to 6 months duration and are held during week-ends and evenings on weekdays. Each programme's intake is about 30 participants per batch. Some programmes are held more than once a year depending on the demand. There are no minimum qualifications specified for these programmes and are aimed at building knowledge and skills in the respective areas among new entrepreneurs and children who are expected to take over their family businesses.

There are many private organisations offering certificate courses in Business Management, Marketing, Book Keeping, Accounting and computer applications. These will not be covered by this report since the number of organisations are many.

Sri Lanka Institute of Marketing which is the recognised professional body for marketing practitioners offer a certificate course in marketing. Entry qualifications are GCE Ordinary Level with one year working experience in Marketing.

Sri Lanka Export Development Board (SLDEB) runs a certificate course in Export/Import procedures which is very popular among those who are engaged in Import/Export trade, This course is held 6 times or more during an year and take upto 50 participants. This programme is targeted towards persons engaged in cargo clearance and freight forwarding. A new course has

been introduced in 1994 which is targeted towards senior and middle level managers and executives involved in external trade. This course is titled Training Course on Operational aspects of International Trade and is in great demand. Programme is conducted over 10 working days which include field visits to important harbours, airports and cargo clearing points.

### **5.5 Other Short-term programmes available from National Institutions**

NIBM runs the largest number of short courses ranging from one day seminars to 5 day training programmes and workshops. The main subject areas covered by these programmes are :

1. Accounting and Financial management (7 programmes)
2. Clerical and Secretarial development (6 programmes)
3. Computer applications and management information (17 programmes)
4. Corporate performance enhancement (6 programmes)
5. Front line management (10 programmes)
6. Human Resource Management (7 programmes)
7. Marketing and Sales Management (10 programmes)
8. Operations Management (10 programmes)
9. Purchasing and Stores Management (7 programmes)
10. Small Business Development (3 programmes)

Most programmes are conducted only in English and the rest is conducted separately in both English and Sinhala.

Training and Promotion Division of the Sri Lanka Standards Institution (SI.SI) also runs several seminars and training programmes of one to five day duration. These programmes cover Quality Concepts, Techniques, Statistical Techniques of Sampling and Inspection, Team Work and specific areas such as preparation of quality manuals for ISO 9000 series of standards, 5 'S' method of quality improvement and quality function deployment. These

programmes are conducted in both Sinhala and English and are open to participants from different industries.

## **6. Measures Needed to address Management Training needs in the Industrial Sector**

### **6.1 Needs Assessment**

One of the problems in the industries visited was their inability to recognise training and development needs. The consultant sitting with the CEO of the company and reviewing their performance objectives and comparison of skills available lead to identification of skill deficiencies. This matter should be addressed by a national body as an on going project to help those entrepreneurs and managers. Without external help it is difficult for them to recognise deficiencies and identify suitable training courses. Lack of long range planning, setting performance targets and identification of gaps causes this difficulty.

An external consultant who works closely with the senior management could identify the needs and also help them to identify their own needs. When the industrial managers learn the importance and also how to identify needs the consultant's services will not be required. Such consultants can also be used to train the managers in their own environments.

### **6.2 Relevance of Courses available**

During the survey carried out managers and executives who have participated in programmes conducted by NIBM, SLSI, and SLBDC were found. These courses were appreciated by them as relevant and useful to improve their performance. However in smaller organisations the situation was different. Most of them have never followed any programmes. (Their attendance at the training courses conducted under this project were also low). This could be

due to lack of appreciation what those courses can provide to their organisations. A few managers chasing after many functions in small companies make it difficult for them to be away from their work places even for participating in a training course. This problem could be partially solved if the first recommendation is implemented. Industrial development authorities should positively encourage companies to send their middle managers for training.

### **6.3 Medium of Instruction**

Many managers in smaller organisations and specially those who are engaged in operational management functions are not sufficiently fluent in English to follow training programmes. Ironically more than 90% of the programmes available are conducted only in English and therefore it is essential to encourage national institutions to plan and implement training programmes in Sinhala and Tamil.

### **6.4 Training Methodology**

Most short term programmes are conducted in class room style lectures and executives and managers coming from the industry may not enjoy so much. Training programmes should be converted to more workshop style sessions and wherever possible case studies and interactive learning examples an cases used should be developed from surroundings and situations familiar to participants.

### **6.5 Resource Persons**

Resource persons should not be full time lecturers but they should be practioners either as consultants or those who are engaged in managerial positions in the industry. NIBM uses it alumni for this purpose and SLBDC draw most of their lecturers from the industry. This practice should be encouraged and resource persons should be able to closely relate to the local industries pertaining to the subjects they would be discussing.



## **7. References**

1. Prospectus 1996 - National Institute of Business Management
2. MBA Programme calendar 1994 - 1996 - Post Graduate Institute of Management
3. Hand Book 1993 - Universities of Sri Lanka
4. First degree University Entrance Requisitions - UGC
5. Prospectus 1996 - Sri Lanka Standards Institution
6. Post Graduate Diploma in Business Management - University of Colombo
7. Executive Diploma in Business Administration programme - University of Colombo
8. Post Graduate Diploma in Business Administration - University of Colombo
9. Certificate Course in Personnel Management (Feb - May 1995) - SLBDC
10. Certificate Course in Marketing - SLBDC
11. Export Marketing Course 1994 - SLBDC
12. Certificate Course in Business Management 1995 - SLBDC
13. Certificate Course in Production management - 1995 (Sinhalese) - SLBDC
14. Post Graduate Diploma in Business and Financial Administration - The Institute of Chartered Accountants of Sri Lanka
15. Certificate Course in Imports/Export Procedures - EDB
16. Training Course on Export marketing EDB 0 EDB
17. Training Course on Operational Aspects of International Trade - EDB

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