

## WHAT DO EMPLOYERS SEEK? DETERMINANTS OF LABOUR DEMAND FOR PROFESSIONAL JOB VACANCIES IN SRI LANKA (WITH SPECIAL REFERENCE TO LINKEDIN NETWORK)

G.R.S.R.C. Samaraweera<sup>1\*</sup>, K.A.N.I. Kariyapperuma<sup>1</sup>

<sup>1</sup>*Department of Economics and Statistics, Sabaragamuwa University of Sri Lanka*

### Abstract

This study seeks the factors associated with the demand for professional occupations made by different employers through their vacancies published in the LinkedIn professional network for recruiting professionals. Primary data of 1,000 professional job vacancies selected through the systematic random sampling method was used by this study. Multinomial logistic regression model was used for the study. The study found that education, training, both soft and hard skills as the key variable demanded by the labour market. The skills and requirements needed for different occupation segments are different while most of the education qualifications are needed for Accountancy/Audit/Analysts/Research and manufacturing sector professionals. Soft skills are mainly required by marketing and HR professionals. The importance of education reforms, and the ways of bridging the mismatches of vacancies and the potential labour force were highlighted in the policy aspects as the final contribution of the study.

**Keywords:** *Education, Job Vacancies, Labour Demand, Professional Employment, Skills*

---

\*Corresponding author: G.R.S.R.C.Samaraweera-: Tel. +94(71) 446 8714; Email: [sumadi@ssl.sab.ac.lk](mailto:sumadi@ssl.sab.ac.lk) <https://orcid.org/0000-0001-7103-2702>

## **Introduction**

Labour demand is recognized as one of the serious concerns in the highly competitive job market. It consists of the academic inflation which is defined as the devaluation of academic qualifications over time, thus leading to the reduction in expected advantages of available academic qualifications in the job market. The values given by the employers in the professional job market to the degree, other professional qualifications, training and skills etc. directly and implicitly appeared in the job vacancies (Messum et al., 2016). Increasing the credential inflation makes the level of mismatches of educated job seekers severe and to experience the outcome of long unemployment duration (Sevilla et al., 2020; Wiedner, 2021). These mismatches have been growing for the academic qualifications of the candidates without any specific job focus in their degree programmes such as law, medicine and surveying. Educated youth in the disciplines of arts and management face the issues with specific job roles in the professional job market and hence they are highly vulnerable to academic inflation. Analyzing job vacancies will help to identify the diversification of the job market for professionals in the related disciplines.

More controversies are seen on declaring the highest significant factors in the labour demand for professionals. Literature reveals that the variables such as professional qualifications (Nikulcheva et al., 2017), geographical location (ZHOU, 2001), degree availability (Mariani et al., 2020; Lovaglio et al., 2017), knowledge on information technology (Maciej et al., 2019), and English proficiency (Mariani et al., 2020) are highly significant in determining the demand for jobs. Moreover, studies by Mariani et al. (2020), Maciej et al. (2019) and Lovaglio et al. (2017) have proved that soft skills play a vital role in the job market while the core soft skills such as communication skills, leadership, team work, stress management, flexibility, problem solving, creative thinking and time management are highlighted more.

The LinkedIn Network platform is the largest professional job network source while it also functions as a highly influential social media network. Nowadays, professional job seekers respond more on this platform rather than to paper-based advertisements. However, the employers are also advertising their vacancies in LinkedIn where a broader classification and wider information can be seen. The objective of the study is to examine the factors associated with the labour demand for the most targeted professional jobs in the disciplines of arts, management, information technology and engineering in Sri Lanka referring to the LinkedIn Network platform.

## **Materials and Methods**

This study used primary data collected from vacancies advertised on LinkedIn during the period of January 2022 - February 2022. The total sample size is 1,000 vacancies representing the professionals of marketing, human resource management, accountancy, audit, analysts, research, finance, business development, manufacturing, IT and engineering. Two stage sampling method was adopted for the study. The first stage was purposive sampling method based on the above-mentioned categories and the systematic random sampling method was used to select the vacancies from the LinkedIn network at the final stage.

According to Long (1997), 500 observations are sufficient for any situation of logit regression. Since the study uses five categories in the dependent variable of the multinomial logit model, the sample size was doubled as 1000 to cover a sufficient number of cases for each category. All selected employment opportunities were limited to the Sri Lankan context. Two Multinomial logistic regression models were used for the analysis using the dependent variable with the following five categories. The first category was used as the base category.

- Marketing and Human Resource professionals
- Accountancy/Audit/Analysts/Research
- Finance and Business Development
- Manufacturing
- Information Technology and Engineering

Independent variables of the first model are possessing work experiences, specific geographical location, possessing a degree, possessing knowledge on information technology, English proficiency, possessing professional qualifications and possessing soft skills. The second model further elaborates on soft skills by incorporating independent variables for demanding communication skills, leadership, team work, stress management, flexibility, problem solving, creative thinking and time management.

## **Results and Discussion**

The study found that 76.6 percent of vacancies required experiences and 68 percent of them required work experiences of 1-4 years, while 60.5 percent of vacancies on the LinkedIn professional network requires a degree and the highest demanded degree was Bachelor of Science, amounting to 46.5 percent. Nearly one-third of the vacancies required professional qualifications with a degree as a key requirement. While 79.4 percent of the vacancies required soft skills, the most demanded soft skills are communication skills, teamwork and

analytical skills. English proficiency was required from 37.9 percent of workers. Nearly half of the vacancies have mentioned specific locations for employment and among them the majority (94.5 percent) was located in the Western Province. Popularity of the online and hybrid working cultures that emerged with the Covid 19 pandemic continues even after the pandemic due to several reasons and 14.8 percent of vacancies allowed online working while 21.15 percent allowed the hybrid working environment. According to the first multinomial logistic regression model, possessing working experience is highly significant for employments in the field of Accountancy, Audit, Analysts and Research. Geographical location of employment is highly important for the occupations in the fields of Marketing and HR professionals, manufacturing, IT and Engineering. A degree is a mandatory requirement for most of the vacancies in the fields of Accountancy/Audit/Analysts/Research and Manufacturing. IT knowledge is very significant for IT professionals while proficiency in English is highly significant for Marketing and HR professionals and professionals in Finance and Business development. Professional English is not required as a key requirement by the manufacturing sector and for IT professionals. Professional qualifications and soft skills are mainly required in the fields of marketing and HR professionals. Among the soft skills, communication skill is highly important for marketing work and human resource professionals while Accountancy/Audit/Analysts/Research and IT related employments do not require this particular skill a lot. Leadership skill is also a key skill for marketing, HR professionals and manufacturing professionals. Stress management was demanded by the vacancies for Marketing and HR professionals and manufacturing while flexibility is also a key requirement for employment in the marketing and HR fields. Problem solving capacities are demanded by employments in the manufacturing sector, IT and Engineering. There is a significant role for creative thinking within the marketing and human resource fields.

## **Conclusions and Recommendations**

The study concludes that the majority of vacancies seeks for education and training including a degree, IT knowledge, professional qualifications and proficiency in English and also work experiences. Educational qualifications were given higher priority in the fields of Accountancy, Audit, Analysts, Research and Manufacturing. Soft skills were given high importance for the vacancies in marketing and human resource development, specifically communication skills, creative thinking, leadership, stress management and flexibility. Requirements for problem solving capacities are relatively high for professionals in the manufacturing sector, IT and engineering, Accountancy/Audit/Analysts/Research with reference to the base category of

marketing professionals. In Sri Lanka, only 57 percent of the graduates (Gunarathna *et al*, 2018) undergo internship training while there is no system for bridging the gap between the labour market and the school leavers. Lack of training is a huge issue in professional employments. Professional qualifications were important for some sectors and nearly one-third of the vacancies required such qualifications. But this type of portfolio investments may sometimes lead to inefficient outcomes. Soft skills were required mainly for the marketing and HR related employments and these should be streamlined with all course units of degree Programmes rather than having separate course units to improve this. English language proficiency should also be targeted at different scales from primary to tertiary education levels.

## References

- Gunarathna, P.S.M, Ramanayaka, A, Panagoda,D (2018), Tracer Study of Graduates Universities in Sri Lanka, University Grant commission, Sri Lanka
- Long, J.S. 1997. *Regression Models for Categorical and Limited Dependent variables*. Thousand Oaks, CA: SAGE Publications, Inc.
- Lovaglio, P. G., Cesarini, M., Mercurio, F., & Mezzanzanica, M. (2018). Skills in demand for ICT and statistical occupations: Evidence from web-based job vacancies. *Statistical Analysis and Data Mining: The ASA Data Science Journal*, 11(2), 78-91.
- Mariani, P., Marletta, A., Mussini, M., & Zenga, M. (2021). Professional profiles and job requirements in labour demand: An analysis of the Italian information technology sector. *Social Indicators Research*, 156(2), 651-667.
- Messum, D., Wilkes, L., Peters, K., & Jackson, D. (2016). Content analysis of vacancy advertisements for employability skills: Challenges and opportunities for informing curriculum development. *Journal of Teaching and Learning for Graduate Employability*, 7(1), 72-86.
- Nikulchev, E., Ilin, D., & Matishuk, E. (2017). Scalable service for professional skills analysis based on the demand of the labor market and patent search. *Procedia Computer Science*, 103, 44-51.
- Sevilla, M. P., & Farías, M. (2020). Labour market mismatch in emerging countries: The case of Chile. *Compare: A Journal of Comparative and International Education*, 50(2), 276-293.

Wiedner, J. (2021). Skill Shortage or Credential Inflation? Qualification mismatch in Great Britain and Germany, 1984-2017.

Zhou, H. (2001). The demand for labour in Zimbabwe's engineering industry: 1995–1997. *South African Journal of Economics*, 69(4), 734-751.