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QUANTITATIVE ANALYSIS ON EMPLOYEE RETENTION FACTORS IN MEDIUM AND LARGE SCALE IT ORGANIZATIONS IN SRI LANKA

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DECLARATION OF THE CANDIDATE AND SUPERVISOR

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ABSTRACT

IT industry is growing faster than ever. Furthermore, the IT industry is becoming more and more competitive. IT organizations are constantly looking to prospect and maintain employees with top quality. Unlike in any other industry, IT industry rely more on the knowledgeable employees. The impact of employee turnover on an organization is costly. Main reason for that is the cost of replacing the knowledge and experience of the employee.

The main objective of this study is to find out the factors, which leads Sri Lankan IT professionals to stay in their current organization. This study is extended to identify the effect on moderator variables on the relationship between the employee retention factors and the employee's intention to stay.

Quantitative research was carried out among 174 IT professionals in Sri Lankan large and medium scale IT organizations, whose designation is below the managerial position. Analysis confirmed that job security, organization culture, flexible working hours, involvement in decision making, supervisory support and compensation have positive relationship with employee retention. Furthermore, the analysis results showed that the moderator factors (age, gender and marital status) have an effect on the relationship between the job security, training and development, flexible working hours, supervisory support, performance appraisals and employee retention.

As per the findings of this study, HR managers should consider more on giving their employees flexible working hours, providing fair and understandable employee performance appraisals process. Even though this study did not resulted in direct relationship between the career development and employee's intention stay, the managers should provide the facilities to employee's career development. Managers should give a massive consideration for the employee's remuneration. In Sri Lankan context, with identifying above results, HR managers can do an analysis on a particular employee and identify the probability of that employee leaving the organization or retaining. That will be a key model for the HR managers to analyse the employees and come up with strategic plans to retain talented employees within the organization.

Key words: Employee retention factors, Sri Lanka IT industry, Moderator variables

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TABLE OF CONTENTS

DECLARATION OF THE CANDIDATE AND SUPERVISOR i
ABSTRACT ii
ACKNOWLEDGEMENTS iii
TABLE OF CONTENTS iv
LIST OF FIGURES vi
LIST OF TABLES vii
LIST OF ABREVIATIONS viii
Chapter 1. INTRODUCTION 1
1.1 Background of the Study 1
1.2 Identification of the Problem 3
1.3 Objectives of the Study 5
1.4 Scope of the Study 6
1.5 Significance of the Study 6
1.6 Chapter Outline 7
Chapter 2. LITERATURE REVIEW 9
2.1 Introduction 9
2.2 Relationship between Employee Retention and its Influences in Global Context 11
2.2.1 Factors that Influence Employee Retention and Employee Turnover in IT Industry in Global Context 11
2.3 Theoretical Models for Relationship between Employee Retention and Its Influences in Global Context 24
2.4 Relationship between Employee Retention and Its Influences in Sri Lankan Context 26
2.4.1 Factors that Influence Employee Retention and Employee Turnover in IT Industry in Sri Lankan Context 27
2.5 Theoretical Models Which Represent the Relationship between Employee Retention and Its Influences in Sri Lankan Context 30
2.6 Chapter Summary 32
Chapter 3. METHODOLOGY & RESEARCH DESIGN 33
3.1 Introduction 33
3.2 Research Approach 33
3.3 Theoretical Model 34
3.4 Hypothesis Development 37
3.5 Operationalization of the Variables 38
3.6 Selection of Study Sample 41
3.7 Method of Data Collection 42
3.8 Method of Data Analysis 42
3.9 Chapter Summary 42
Chapter 4. DATA ANALYSIS AND DISCUSSION OF RESULTS 43
4.1 Introduction 43

4.2 Descriptive Analysis 43
4.2.1 Characteristics of the Respondents of the Sample 43
4.2.2 Summary of Descriptive Analysis 51
4.3 Reliability Analysis 52
4.4 Employees Perceptions on Factors Influencing on Employee Retention 54
4.4.1 Flexible Working Hours 54
4.4.2 Organization Reputation 55
4.4.3 Job Security 56
4.4.4 Organization Politics 56
4.4.5 Organization Culture 57
4.4.6 Training and Development 58
4.4.7 Task Autonomy 58
4.4.8 Involvement in Decision Making 59
4.4.9 Fair Recognition 60
4.4.10 Supervisory Support 61
4.4.11 Compensation 61
4.4.12 Performance Appraisals 62
4.5 Influence of Independent Factors on Employee Retention 63
4.5.1 Correlation Analysis 63
4.5.2 Regression Analysis 66
4.6 Analysis of Moderation Effect 68
4.7 Summary of Findings and Discussion 69
4.8 Chapter Summary 73
Chapter 5. CONCLUSION AND RECOMMENDATIONS 75
5.1 Introduction 75
5.2 Conclusions and Implications 75
5.3 Limitations and Future Research Areas 82
REFERENCES 83
Appendix A. QUESTIONNAIRE 93

LIST OF FIGURES

Figure 2.1 - Research Model (Sengupta, 2011) 24
Figure 2.2 - Research model (Allen, Shore and Rodger, 2003) 24
Figure 2.3 - Research Model (Currivan, 2000) 25
Figure 2.4 - Research Model (Eskildsen and Kristensen, 2003) 26
Figure 2.5 - Theoretical Framework (Wickramasinghe,2010) 27
Figure 2.6 - Conceptual Model (Wickramasinghe,2008) 30
Figure 2.7 - Conceptual Model (Galhenage, 2008) 31
Figure 3.1 - Flow Study of the Research 34
Figure 4.1 - Categorization by Gender 44
Figure 4.2 - Categorization by Age Groups 45
Figure 4.3 - Categorization by Marital Status 45
Figure 4.4 - Categorization by Designation 46
Figure 4.5 – Salary Vs Gender 47
Figure 4.6 - Career development Vs Gender 48
Figure 4.7 - Flexible working hours Vs Gender 49
Figure 4.8 - Job Security Vs Gender 50
Figure 4.9 - Job Security Vs Marital Status 51
Figure 5.1 - Finalized theoretical Model 76
Figure 5.2 - Finalized Theoretical Model with the Moderators 76

LIST OF TABLES

Table 3:1 - Definition for the Factors 36
Table 3:2 - Research Hypotheses 37
Table 3:3 - Operationalization of the constructs 38
Table 4:1 - Summary of Reliability Analysis 52
Table 4:2 - Summary of Flexible Working Hours 54
Table 4:3 - Statistics of Organization Reputation 56
Table 4:4 - Statistics of Job Security 56
Table 4:5 - Statistics of Organization Politics 56
Table 4:6 - Statistics of Organization Culture 57
Table 4:7 - Statistics of Organization Training and Development 58
Table 4:8 - Statistics of Task Autonomy 58
Table 4:9 - Statistics of Involvement in Decision Making 59
Table 4:10 - Statistics of Fair Recognition 60
Table 4:11 - Statistics of Supervisory Support 61
Table 4:12 - Statistics of Compensation 61
Table 4:13 - Statistics of Performance Appraisals 62
Table 4:14 - Results of Correlation Analysis 64
Table 4:15 - Model Summary 66
Table 4:16 - Results of Regression Analysis 67
Table 4:17 - Results of Moderator Analysis 68
Table 4:18 - Summary Statistics of Variables 70
Table 4:19 - Results of Hypotheses Testing 71

LIST OF ABREVIATIONS

ANOVA	Analysis of Variance
ANCOVA	Analysis of Covariance
BPO	Business Process Outsourcing
EDB	Sri Lanka Export Development Board
HR	Human Resources
ICTA	Information and Communication Technology Agency
IT	Information Technology
SD	Standard Deviation
SEA	Software Exporters Association
SLASI	Sri Lanka Association for the Software Industry
SPSS	Statistical Package for Social Sciences
USD	United States Dollar

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