

**AN INVESTIGATION OF THE FACTORS THAT
INFLUENCE IT ENGINEERS' JOB RETENTION IN
GLOBAL IT COMPANIES OPERATING IN SRI LANKA**

Hawpage Dona Achini Madushani

229117H

Degree of Master of Business Administration in Information Technology

Department of Computer Science and Engineering

University of Moratuwa

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ABSTRACT

With the rapid growth of Sri Lanka's IT business, particularly in software development, digital marketing, IT consulting, and related industries, understanding the factors impacting employee retention has been crucial. While research on employee retention in the IT sector exists, there is a noticeable gap in the literature about the Sri Lankan IT sector, particularly the retention of global IT companies operating in Sri Lanka. The study aims to address the gap by investigating the factors that influence retention among IT engineers in global IT companies operating in Sri Lanka. The study defines retention as the dependent variable and financial benefits, career development opportunities, work environment, and work-life balance as independent variables. Data analysis includes descriptive analysis, correlation analysis, hypothesis testing, and regression analysis to determine the correlations between the factors and identify the degree of their impact on employee retention. The findings suggest, that there is a strong positive significant relationship between retention and financial advantages, career development opportunities, work-life balance, and work environment. Financial benefits was identified as the most influential factor in employee retention, followed by career advancement, work-life balance, and the workplace. Based on the findings, key retention strategies are recommended for organizations including (a) Competitive compensation packages, (b) Employee well-being programs, (c) Performance-based incentives, (d) Professional development investments, and (e) Recognition and rewards. The study highlights the potential for more research to examine other aspects of retention, including the influence of DEI (Diversity, Equity, and Inclusion) programs and organizational culture in the IT industry.

Keywords: Employee retention, financial benefits, career development opportunities, work-life balance

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TABLE OF CONTENTS

DECLARATION.....	1
COPYRIGHT STATEMENT	2
ABSTRACT.....	3
ACKNOWLEDGMENT	4
TABLE OF CONTENTS	5
LIST OF FIGURES	7
LIST OF TABLES	8
LIST OF ABBREVIATIONS.....	9
1. INTRODUCTION	10
1.1. Background	10
1.2. Problem Statement	11
1.3. Research Question.....	12
1.4. Research Objectives	12
1.5. Significance of the Study	12
1.6. Chapter Summary.....	13
2. LITERATURE REVIEW	14
2.1 Chapter Introduction.....	14
2.1. Employee Retention	14
2.2. Financial Benefits.....	16
2.3. Career Development Opportunities.....	17
2.4. Work Environment.....	18
2.5. Work-life Balance	19
2.6. Summary of Literature	21
3. RESEARCH METHODOLOGY.....	22
3.1. Chapter Introduction.....	22
3.2. Conceptual Framework	22
3.3. Hypothesis Development	23
3.4. Variables of the Study	23
3.4.1. Operationalization of Variables	23
3.4.2. Profiling Variables	24
3.5. Population and Sample Size	26

3.6.	Method of Data Collection	27
3.7.	Reliability and Validity of Data	28
3.8.	Chapter Summary	29
4.	DATA ANALYSIS	30
4.1.	Composition of the Sample	30
4.1.1.	Composition of the Sample by Gender	30
4.1.2.	Composition of the Sample by Age	31
4.1.3.	Composition of the Sample by Highest Education Level	32
4.1.4.	Composition of the Sample by Work Experience.....	34
4.2.	Descriptive Analysis.....	35
4.3.	Normality of Data.....	36
4.4.	Correlation Analysis.....	38
4.5.	Hypothesis Testing	41
4.6.	Degree of Influence of Factors	41
4.6.1.	Testing the Validity of Assumptions.....	42
4.6.2.	Regression Analysis	44
4.7.	Chapter Summary	48
5.	RECOMMENDATIONS AND CONCLUSION.....	49
5.1.	Chapter Introduction.....	49
5.2.	Discussion, Implications and Recommendations	49
5.3.	Future Research	51
	REFERENCES	53
	APPENDIX A: RESEARCH QUESTIONNAIRE	59
	APPENDIX B: OPERATIONALIZATION OF VARIABLES	64
	APPENDIX C: SPSS ANALYSIS OUTPUTS	67

LIST OF FIGURES

Figure 1: Conceptual Framework	22
Figure 2: Composition of the Sample by Gender.....	31
Figure 3: Composition of the Sample by Age.....	32
Figure 4: Composition of the Sample by Highest Educational Level.....	33
Figure 5: Composition of the Sample by Work Experience	34
Figure 6: Histogram: Retention	
Figure 7: Normal Q-Q plot: Retention	37
Figure 8:Histogram: Financial Benefits	
Figure 9: Normal Q-Q plot: Financial Benefits	37
Figure 10:Histogram: Career development	
Figure 11: Normal Q-Q plot: Career development	37
Figure 12:Histogram: Work Environment	
Figure 13: Normal Q-Q plot: Work Environment.....	38
Figure 14:Histogram: Work-life Balance	
Figure 15: Normal Q-Q plot: Work-life Balance	38
Figure 16: Scatter plot for Retention vs. Career_Development	40
Figure 17: Scatter plot for Retention vs. Financial_Benefits.....	40
Figure 18: Scatter plot for Retention vs. Work_Environment	41
Figure 19: Scatter plot for Retention vs. WorkLife_Balance	41
Figure 20: Normal Q-Q Plot of standardized residual	42
Figure 21: Scatterplot: Retention	43

LIST OF TABLES

Table 1: Operationalization of Variables	24
Table 2 : CI and Z-core	27
Table 3:Cronbach Alpha	29
Table 4: Statistics of Variable Gender	30
Table 5: Composition of the Sample by Gender	30
Table 6: Composition of the Sample by Age	31
Table 7: Composition of the Sample by Highest Educational Level	32
Table 8: Gender * Highest education level Crosstabulation	33
Table 9: Composition of the Sample by Work Experience	34
Table 10: Gender * Years of Experience Crosstabulation	35
Table 11: Descriptive Statistics.....	35
Table 12: Pearson's Correlation Analysis.....	38
Table 13: Model Summary.....	45
Table 14: ANOVA	45
Table 15: Coefficients Table.....	46
Table 16: Ranking the Factors	47

LIST OF ABBREVIATIONS

ICT	Information and Communication Technology
IT	Information Technology
DEI	Diversity, Equity, and Inclusion
SME	Small and Midsize Enterprises