IT Industry Labour Turnover: The Reality

L. Jinadasa¹ and V. Wickramasinghe²

At the time of regaining independence, though the Sri Lankan economy was open to free trade, it was mainly dominated by agriculture. Since the adoption of liberal economic policies in 1977, new industries have been created and the export structure has become diversified. One such emerging industry is Information Technology (IT).

After mid-1990s an expansion in the IT industry has been witnessed with many local and international companies setting up operations to cater to international market. As IT companies build on knowledge workers, absorbing such qualified employees become the focal point. In the competitive IT labour market, companies make substantial investment by adopting various strategies to recruit qualified knowledge workers creating a high IT labour turnover rate in the industry. This not only influences performance and stability of the IT industry, but also increases the costs of recruitment and selection of knowledge workers. In this context, arising IT labour turnover issues should be addressed.

This paper investigates reasons for IT industry labour turnover and related retention issues. In the study, survey questionnaire was used and 158 randomly selected knowledge workers (all graduates) responded. Data was analyzed using SPSS software. The findings gave an insight into the knowledge worker turnover behaviour in which only 6% satisfied with their current job with the current employer while 24% intended to leave the current employer, if they get a better job offer from another IT company in Sri Lanka. Being a lucrative global industry, another 24% intended to leave, if they get a job offer or a permanent residency in a foreign country. A detailed analysis of IT industry labour turnover, individual expectations, management issues in the IT industry and practical implications of the findings are discussed.

Key Words: IT industry, Knowledge worker, Retention, Sri Lanka, Turnover

¹Department of Computer Science and Engineering, Faculty of Engineering, University of Moratuwa, Sri Lanka, E-mail: lasanthi.jinadsa@ifs.lk
²Department of Management of Technology, Faculty of Engineering, University of Moratuwa, Sri Lanka, E-mail: wickramasinghev@gmail.com