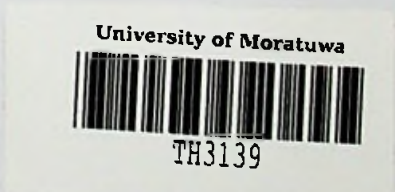


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**GENERATIONALLY SIGNIFICANT
WORK VALUES AND THEIR IMPACT ON
EMPLOYEE RETENTION IN THE
SRI LANKAN IT INDUSTRY**

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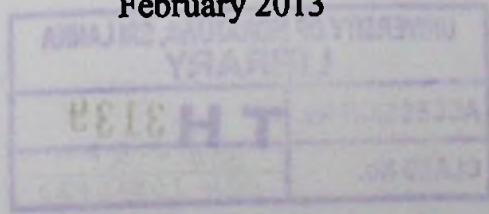
**MASTER OF BUSINESS ADMINISTRATION
IN
INFORMATION TECHNOLOGY**



**D.M.S.P. Gnanarathne
Department of Computer Science & Engineering
University of Moratuwa**

February 2013

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By

D. M. S. P. Gnanarathne

09/9057

This dissertation was submitted to the Department of Computer Science & Engineering of the University of Moratuwa in partial fulfillment of the requirement for the Degree of MBA in Information Technology.

Department of Computer Science & Engineering

University of Moratuwa

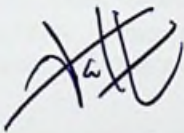
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Declaration

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Abstract

Generational diversity is a strong dimension in society diversification. The groups can be differed in many various ways due to their fundamental approach to work issues, different lifestyles and social values. All of these have a significant weight in the workplace. Each generation views the world through their own generational experiences and influences; and it is these factors that shape the core values of a generation.

For the first time in history four generations are in the global workplace simultaneously. In the current working environment people are as young as their children and as old as their parents but they are working in a team to achieve company's common objectives. It is very important for employees to know how to connect with each other representing different generations at workplace more than ever before. Appreciation and greater understanding of the generational diversity that exists within the society and workplaces will enable to leverage on the differences, giving individuals and organizations greater competitive advantages. There are various benefits in understanding generational diversity in greater depth as increased awareness of generational backgrounds and how they impact on software team, communication, generational similarities and differences. Misunderstanding, miscommunication, conflict, dissatisfaction and de motivation can arise due to generational diversity. So the corresponding loss of productivity and performance in companies also arise (Bernstein, Alexander and Alexander, 2006).

The most valued work values of each generation and impact analysis of generational diversity on retention in the context of Sri Lankan IT companies are yet to be done. This research intends to fill these gaps.

The theoretical framework is developed based on generational work values and the categorizations of each impact on the employee retention. This framework was used to identify most significant work values of each generation in Sri Lankan IT industry and the degree of each work value category's impact on the employee retention. The conceptual framework was developed based on the theoretical framework. An online questionnaire was used to collect data from employees in Sri Lankan IT Organizations.

Research results indicate that most of the employees in Sri Lankan IT industry belong to Gen-X category and Gen-Y category. Therefore this research studies carried out was based on generation X and generation Y. According to the results, while gen X employees selected 'job security' as the most valued work value Gen Y selected 'economic return' as the most valued work value. Those work values were selected out of security, way of life, economic return, management, variety, prestige, independency, intellectual stimulation, altruism, creativity and associate.

The research also reveals comfort and security, professional growth, personal growth, and working environment positively impacts on employee retention in Sri Lankan IT industry.

This research identifies the current generational diversity behavior of IT industry and generation wise level of importance of several work values influencing the employee efficiency and productivity. The efficiency in future IT workforce will be increased if the identified factors are taken as suggestions and necessary steps be taken to enhance the IT industry environment based on employee work values. Thus the findings of this research project will be useful for IT employees, IT management, and owners. This would ensure retention of valued employees in the organization and reduction in misunderstanding, miscommunication, conflict, dissatisfaction and de-motivation among employees.

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List of Abbreviations

Abbreviation	Description
A/L	Advanced Level
AIDS	Acquired Immune Deficiency Syndrome
ESPN	Entertainment and Sports Programming Network
HR	Human Resource
IM	Instant Message
IT	Information Technology
JVP	Janatha Vimukthi Peramuna
Gen-Xers	Generation X
Gen- Yers	Generation Y
MBA	Master of Business Administration
MSC	Master of Science
MTV	Music Television
O/L	Ordinary Level
PC	Personal Computer
PhD	Doctor of Philosophy
QA	Quality Assurance
SE	Software Engineers
SL	Sri Lanka
SWVI-R	Super's Work Value Inventory Revise
US	United States
WVI	Work Value Inventory
WWII	World War II
Xers	Generation X employees