FACTORS INFLUENCING FREELANCE INTENTION OF SRI LANKAN IT EMPLOYEES

Kumudika Hasini Samarawickrama Rupasinghe

(219147N)

Degree of Master of Business Administration in Information Technology

Department of Computer Science and Engineering

University of Moratuwa

Sri Lanka

July 2023

FACTORS INFLUENCING FREELANCE INTENTION OF SRI LANKAN IT EMPLOYEES

Kumudika Hasini Samarawickrama Rupasinghe

(219147N)

The dissertation was submitted to the Department of Computer Science and Engineering of the University of Moratuwa in partial fulfilment of the requirement for the Degree of Master of Business Administration in Information Technology.

Department of Computer Science and Engineering

University of Moratuwa

Sri Lanka

July 2023

DECLARATION

I declare that this is my own work and this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any other University or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text. I retain the right to use this content in whole or part in future works (such as articles or books).

Signature: Date: 29/07/2023

The above candidate has carried out research for the Masters thesis under my supervision. I confirm the declaration made above by the student is true and correct.

Name of the Supervisor: Dr. R.M.S. Rathnayake

Signature of the Supervisor: Date: 29/07/2023

ACKNOWLEDGEMENT

I would like to take this as an opportunity to express my sincere gratitude to all those who helped me in completing my research study on “Factors Influencing Freelance Intention of Sri Lankan IT Employees”.

First and foremost, I wish to thank the University of Moratuwa and my research supervisor Dr. Sunimal Rathnayake, Senior Lecturer of the Department of Computer Science and Engineering, University of Moratuwa, for the continuous support, encouragement, and attention extended to me throughout the research process.

Next, I wish to convey my special gratitude to the participants of my survey questionnaire for spending their precious time and for their honest responses. Furthermore, I extend my earnest thanks to the MBA batchmates for the guidance and resources provided in bringing this study to a success.

Next, I would like to thank my company and colleagues for the support they have given me to balance my professional life with academics.

Further, I would extend my special gratitude to my family and friends for being the best support system someone could have. Your help, especially throughout the data collection process, is highly appreciated.

Finally, I wish to convey my heartfelt thanks to all those who helped me in many ways in bringing this study a success.

Abstract

With the COVID-19 pandemic, freelancing has become more popular in many sectors around the world due to unemployment, lack of job security, the flexibility of remote working, and increased demand from employers. The purpose of the study is to determine the drivers of the freelance intention of Sri Lankan IT employees. Convenience sampling was adopted as the sampling technique, and data was gathered from 384 IT employees engaged in freelancing via an online survey. SPSS Statistics 20 and Microsoft Power BI were used to interpret collected data, and correlation and multiple regression analysis were performed to test hypotheses. According to the results of hypothesis testing, Financial Motivation, Opportunity, and Primary Job-related Motivation have a positive and significant impact on the Freelance Intention of IT employees. These findings suggest that IT companies should focus on these factors when managing human resources. The originality of the study is the examination of the freelancing intention of Sri Lankan IT employees with the emergence of COVID-19. To create harmony between employer and employees, the author recommends prior recognition of drivers and form strategies accordingly and identify challenges in advance and mitigate potential performance issues for a win-win situation.

Keywords: Freelancing, Freelance Intention, IT Employees, Moonlighting, IT Industry

TABLE OF CONTENTS

Declaration i
Acknowledgement ii
Abstract iii
Table of Contents iv
List of Figures vii
List of Tables viii
List of Abbreviations ix
1. Introduction 1
1.1. Background 1
1.1.1. Freelancing 1
1.1.2. Sri Lankan IT industry and workforce 1
1.2. Motivation 2
1.3. Problem statement 2
1.4. Research objectives 3
1.5. Research scope 3
1.6. Research significance 3
1.7. Thesis outline 4
2. Literature Review 5
2.1. Introduction 5
2.2. Freelancing 5
2.2.1. Types of freelancing 5
2.2.2. Demanding areas 6
2.2.3. Challenges of freelancing 6
2.3. Freelance intention 7
2.3.1. Theory of reasoned action 7
2.3.2. Self-determination theory 7
2.4. Factors influencing freelance intention 8
2.5. Identifying and addressing knowledge gap 10
2.5.1. Identifying the knowledge gap 10
2.5.2. Addressing the knowledge gap 10
2.6. Conceptual model 10
2.7. Hypothesis development 11

2.7.1. Financial motivation 11
2.7.2. Opportunity 12
2.7.3. Primary job-related motivation 12
2.8. Chapter summary 12
3. Research Methodology 14
3.1. Introduction 14
3.2. Research problem 14
3.3. Research method 14
3.4. Key variables: operational definition 15
3.5. Operationalization of the variables 16
3.6. Goodness of measure 19
3.6.1. Reliability 19
3.6.2. Validity 19
3.7. Data collection 20
3.8. Population and sample selection 20
3.8.1. Target population 20
3.8.2. Sampling method and sample size determination 21
3.9. Process of data collection 22
3.10. Mode of analysis 22
3.10.1. Descriptive analysis 22
3.10.2. Multicollinearity analysis 23
3.10.3. Inferential statistics 23
3.11. Research model 24
3.12. Chapter Summary 24
4. Data Analysis 25
4.1. Introduction 25
4.2. Pilot study 25
4.2.1. Reliability test 25
4.2.2. Validity test 26
4.3. Research survey 27
4.3.1. Reliability test 27
4.3.2. Validity test 28
4.4. Descriptive analysis 28

4.5. Inferential analysis 47
4.5.1. Pearson correlation analysis 47
4.5.2. Multiple regression analysis 48
4.6. Hypothesis testing 50
4.7. Chapter Summary 51
5. Recommendations and Conclusion 52
5.1. Introduction 52
5.2. Discussion 52
5.2.1. Research objective 1 52
5.2.2. Research objective 2 53
5.2.3. Research objective 3 54
5.3. Conclusion 54
5.4. Recommendation 55
5.4.1. To employers 55
5.4.2. To employees 55
5.5. Limitations 56
5.6. Future work 56
5.7. Chapter summary 57
References 58
Appendix A: QUESTIONNAIRE 62

LIST OF FIGURES

Figure Description Page

Figure 2. 1: Conceptual framework 11
Figure 4. 1: Gender distribution of the respondents 29
Figure 4. 2: Age distribution of the respondents 31
Figure 4. 3: Education level of the respondents 32
Figure 4. 4: Marital status of the respondents 33
Figure 4. 5: Job categories of the respondents 35
Figure 4. 6: Primary employment status of the respondents 36
Figure 4. 7: Work experience in the IT industry of the respondents in years 37
Figure 4. 8: Designations of the respondents 38
Figure 4. 9: Working mode of the respondents 40
Figure 4. 10: Freelance work status of the respondents 41
Figure 4. 11: Time allocation on freelance work of the respondents 42
Figure 4. 12: Freelance work experience of the respondents in years 44
Figure 4. 13: Types of freelance services provided by the respondents 45
Figure 4. 14: Sources of finding freelance clients 46
Figure 4. 15: Challenges faced by the respondents 47

LIST OF TABLES

Table Description Page

Table 3. 1: Operational definitions of key variables 15
Table 3. 2: Operationalization of the variables 16
Table 4. 1: Reliability test summary of the pilot study 26
Table 4. 2: Validity test summary of the pilot study 27
Table 4. 3: Reliability test summary of the research survey 27
Table 4. 4: Validity test summary of the research survey 28
Table 4. 5: Gender distribution of the respondents 29
Table 4. 6: Age distribution of the respondents 30
Table 4. 7: Education level of the respondents 31
Table 4. 8: Marital status of the respondents 33
Table 4. 9: Job categories of the respondents 34
Table 4. 10: Primary employment status of the respondents 35
Table 4. 11: Work experience in the IT industry of the respondents in years 36
Table 4. 12: Designations of the respondents 38
Table 4. 13: Working mode of the respondents 39
Table 4. 14: Freelance work status of the respondents 40
Table 4. 15: Time allocation on freelance work of the respondents 42
Table 4. 16: Freelance work experience of the respondents in years 43
Table 4. 17: Pearson correlation analysis summary 48
Table 4. 18: Model summary 49
Table 4. 19: ANOVA 49
Table 4. 20: Coefficients 50
Table 4. 21: Summary of hypothesis testing 51

LIST OF ABBREVIATIONS

Abbreviation	Description
COVID-19	Coronavirus Disease 2019
DV	Dependent Variable
ICTA	Information and Communication Technology Agency
IT	Information Technology
IT-BPM	Information Technology and Business Process Management
IV	Independent Variable
SLASSCOM	Sri Lanka Association for Software Services Companies
VIF	Variance Inflation Factor