



29864
#

A study on the implications of Middle East labor migration on Sri Lankan economy considering United Arab Emirates as a representative sample



Name: M.M.M Iffham

Registration no. RJT/PGDM/2003/62

Index No.

ACC NO.	29864
CALL NO.	331.544 IFF

Master in Business Administration

Faculty of Management Studies

Rajarata University of Sri Lanka

Mihintale

2014

Abstract

Foreign employment has resulted in many people finding suitable jobs abroad both in skilled and unskilled areas of employment. In the past much of the labor migrating from Sri Lanka were for unskilled jobs such as housemaids and drivers. Over the years the number of skilled labor entering the Middle East labor market has grown immensely. This has brought about many benefits to both the Sri Lankan and Middle Eastern economy. Sri Lanka being a developing nation is experiencing high cost of living, in order to cope with this and the tight labor market, many Sri Lankan workers have opted to migrate to the fast developing Middle East in search of a better standard of living.

Foreign employment is an important and stable source of foreign currency inflow to Sri Lanka. The growth in the number of emigrants from Sri Lanka into the Middle East is a very common practice. However, this transition from Sri Lanka to the Middle East is not without problems for the workforce.

We live in a diverse world where globalization and geographical mobility are existent in the workplace. Hence, workers can easily travel from one part of the world to another. The cost of travel has also substantially fallen over the years with the introduction of budget airlines and the emergence of the internet as a means of finding information about availability of jobs across the globe.

Once workers migrate to the Middle East a number of individual and combined factors have resulted in high turnover intention from the organization. This dilemma is a serious one as workers leave their home country in search of employment and then return home or migrate elsewhere for the same purpose. Hence, the benefits of migrating in search of employment are lost or sometimes result in a negative impact.

A comprehensive study has been conducted in order to identify the factors that result in high turnover intention, these factors consists of both internal and external factors. Internal takes into account the personality of the individual in terms of whether the individual is an introvert or an extrovert. These factors are important as they determine whether or not the individual has the right personality to cope with changes in the work environment and the culture shock of living and working in another country. Further, whether or not the individual has the ability to cope with the strained family ties and the ability to relocate their lives

External factors take into account the job information, the nature of employment, the job itself in terms of job enrichment, job enlargement and job rotation. Other external factors consider supervision, management style, earning potential and job satisfaction. The degree to which these factors influence employee turnover intention has been tested in order to identify their significance towards employee turnover in the Middle East.

In other words, these factors can be classified as demographic, psychographic, cultural adaptability and job characteristics. Their impact on labor turnover intention has been tested.

Table of Contents

	Page No.
Certification	i
Declaration	ii
Abstract	iii
Acknowledgement	v
Table of Content	vi
List of Tables	x
List of Figures	xii
Chapter One: Introduction	
1.1 Background of the study	01
1.2 Research Problem	03
1.3 Objectives	04
1.4 Justification of the study	05
1.5 Significance of the study	06
1.6 Organization of the report	06
1.7 Limitations of the study	06
Chapter 2: Literature Review	
2.1 Introduction	08
2.2 Labour migration	08
2.2.1 Labour market and foreign employment	09
2.2.2 Labour migration in Sri Lanka	10
2.2.3 Present trends in foreign employment	11
2.3 Self-initiated expatriates	12
2.3.1 Extrinsic characteristics of SIEs	13
2.3.2 Intrinsic characteristics of SIEs	16

2.4	Psychological characteristics of expatriates	17
2.4.1	Personality	17
2.4.2	Conscientiousness	18
2.4.3	Extraversion	19
2.4.4	Motivation	20
2.5	Cultural adaptability of expatriates	20
2.6	Characteristics of expatriate jobs	22
2.6.1	Job information	23
2.6.2	Job itself	25
2.6.3	Supervision	29
2.7	Earning potential of expatriates	31
2.8	Turnover intention of expatriates	35
2.8.1	Earning potential and turnover intention	36
2.8.2	Organizational commitment and turnover intention	38
2.8.3	Job satisfaction and turnover intention	39
2.8.4	Job satisfaction, organizational commitment and intention	41
Chapter 3: Methodology		
3.1	Introduction	42
3.2	Conceptual model	42
3.3	Hypotheses	43
3.3.1	Determinants of turnover intention	43
3.3.2	Determinants of earning potential	43
3.3.3	Determinants of organizational commitment	44
3.3.4	Determinants of job satisfaction	45
3.4	Operationalization	46

3.5	Methodology	48
3.5.1	Scope	48
3.5.1	Sample	48
3.5.2	Data collection	49
3.5.3	Data analysis	49

Chapter 4: Data Analysis and Discussion

4.1	Introduction	51
4.2	Descriptive statistics of the variables	51
4.2.1	Control variables	51
4.2.2	Independent variables	52
4.2.3	Mediating variables	54
4.2.4	Dependent variable	55
4.3	Control variables against independent, mediating and dependent variables	55
4.3.1	Gender	55
4.3.2	Marital status	56
4.3.3	Previous foreign employment	57
4.4	Correlation analysis	58
4.4.1	Correlation between dependent variable and other variables	58
4.4.2	Correlation between mediating and other variables	60
4.4.3	Correlation between cultural adaptability and other variables	61
4.4.4	Other important correlations	61
4.5	Regression analysis and hypothesis testing	62
4.5.1	Regression against turnover intention	62
4.5.2	Regression against earning potential	63
4.5.3	Regression against affective commitment	64

Chapter 5: Conclusion and Recommendations

5.1	Summary of findings	67
5.2	Recommendations	69
5.3	Conclusions	70
	Operationalisation of the variables	70
	References and Bibliography	72
	Questionnaire	75
1	Demographic characteristics of the sample - I	78
2	Demographic characteristics of the sample - II	78
3	Team culture of the work teams	82
4	Comparison of team culture according to projects	86
5	Comparison of team culture according to respondents	91
6	Comparison of source of trust	92
7	Comparison of similar intelligence style	93
8	Performance of the work teams	94
9	Comparison of team performance according to projects	94
10	Comparison of team performance according to scenarios	95
11	Correlation among different aspects of performance	98
12	Correlation among variables according to individual respondents	97
13	Correlation among variables according to work teams	98