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### **Impact of enacting ETCA towards software project based companies in Sri Lankan IT Sector: A case on software project based IT companies in Colombo**

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Enacting ETCA could have a detrimental impact on Sri Lankan IT sector as such job outsourcing could increase local unemployment level. Since the majority of information sources referred support the possibility of a negative impact of enacting ETCA with India, this study was carried out to identify how the enactment can result in a detrimental impact on the Sri Lankan IT industry, especially on the software project based companies. This study has analyzed the opinions and knowledge of Sri Lankan IT professionals on the impact of ETCA on Sri Lankan unemployment level, skill levels, salary scales, work quality, and competitive advantage of top-tier talent. The responses of those who have prior work experience with Indian IT professionals have been considered as highly significant and reliable over the other responses. The data collected on the opinions and knowledge received as responses to the research instrument have been categorized based on the employee's demographic profile, especially by the designation they hold or the type of software project based work they are involved in and the industrial work experience for their age. As per the descriptive analysis conducted, 48.75% of respondents who have work experience with Indian IT professionals are against enacting ETCA with India. On the other hand, a 38.75% of respondents with no such working experience have also disagreed with enacting ETCA. When the nature of the dependent variable was analyzed, with a mean of 2.15 and a standard deviation of 0.282, its bell-shaped curve signified that the data was approximately normally distributed for the dependent variable of this study: 'Collapse of the IT Industry for SPB Companies in Colombo'. Moreover, the null hypotheses of the study could be rejected since the Kolmogorov-Smirnov and Shapiro-Wilk test conducted using SPSS represented a normality of the dependent variable with a p-value of 0.02 in K-S test, and 0.25 in S-W test. The Correlation analysis conducted for this study resulted in an approximate significance (p-value) of 0.00 among the dependent variable and all the independent variables. The Regression analysis indicated that a variation in the independent variable could vary the dependent variable by 78% approximately. The significance of 0.00 resulting from the ANOVA test conducted indicated that the chosen model of research suitably fits this study and the results derived from this research are statistically accurate. During the coefficient analysis, all independent variables statistically signified at 0.00 p-value for the t-values varying between 3.24 and 6.01 with a standardized coefficient varying from 0.23 to 0.47. Hence the null hypothesis could be rejected and an alternative hypothesis approved to conclude that signing ETCA with India could increase unemployment level in the Sri Lankan IT sector, drop its industrial skill level, salary scales, and work quality, and lose its competitive advantage of top-tier talent.

**Keywords:** Signing ETCA with India, Software Project Based Companies, Sri Lankan IT industry,