CHAPTER-3

RESEARCH METHODOLOGY

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3.1 INTRODUCTION

This chapter provides research methodology used to collect data for the current study. The study focuses on the study of concept of employee turnover as applicable in IT industry and reasons of employee’s job change or switch over from one industry to another. Moreover the implications of employee turnover on various managerial aspects of IT industry will be studied in this research. Appropriate measures will be suggested to reduce the prevailing rate of labour turnover in IT industry. More stress will be given on implication of staff turnover on organizational effectiveness and employee performance in IT industry.

High employee turnover rate directly affects the efforts to attain organizational objectives. In addition, when an organization loses an experienced employee, there is negative impact on productivity, consistency in service to the customers and major delays in the delivery of services may occur. Quantitative research design is used for the said topic which will allow the researcher to use structured questionnaires while collecting data. This chapter includes details about data collection using the questionnaire, pilot study, data analysis and validity method used.

3.2 SCOPE AND LIMITATIONS OF THE STUDY

This study was based in the IT firms of Pune city. A total of approximately 410 IT firms are there in Pune city and it was very difficult to study the topic in all the firms so such firms were selected where number of employees is more than 100 and less than 200. 120 such firms were shortlisted and using Slovin’s formula, 30 units were randomly selected for the study. 510 randomly selected IT professionals and team leaders from 30 firms were included to participate in this study. The findings of this study will be useful in addressing employee turnover, its reasons and also the motivations required in reducing the employee turnover in IT industry. The study is focused on the IT industry of Pune city only and no other area is included. This research aims at studying employee turnover in IT firms of Pune city. During this study, the researcher has come across few limitations which are briefly stated below.

1. Research is restricted to IT firms of Pune city only.
2. The researcher has randomly selected 450 IT professional and 60 team leaders of IT firms.
3. The study aims at analyzing the various factors responsible for employee turnover, reasons for the same, suggesting possible remedial measures which help to reduce Employee turnover, implications of employee turnover on various managerial aspects and no other management aspects will be considered.

4. The findings of the study are based on primary and secondary data. The primary data has been collected through questionnaire, interviews of the team leaders of IT firms and participative, non-participative observations in 30 IT firms under study.

3.3 OBJECTIVES OF THE STUDY
1. To study the concept of employee turnover as applicable in IT industry.
2. To identify the reasons of employees job change and switch over from one organization to another.
3. To find out employee turnover in select IT industry.
4. To analyze the reasons of employee turnover from the point of view of the team leaders and the employees.
5. To study the implications of employee turnover on various managerial aspects of IT industry.
6. To suggest appropriate measures to reduce the prevailing rate of employee turnover in IT industry.

3.4 HYPOTHESES
1. There is a high rate of employee turnover due to various issues related to work environment.
2. Lack of loyalty towards organization is the principal cause of high employee turnover.
3. The growing employee turnover in IT industry is responsible for the increase in recruitment and training expenditure on employees.

3.5 RESEARCH DESIGN
The current study is based on quantitative method to collect relevant information on employee turnover like various factors affecting turnover, its implications and remedies to overcome the problem. This research is an inquiry about an identified problem, employee turnover based on testing hypothesis, measured with numbers and analyzed using statistical techniques. The purpose of using this quantitative approach
is to evaluate objective data with the aim of achieving high levels of reliability in terms of data analysis. In line with the quantitative approach decided upon, a structured questionnaire was administered to all the target respondents.

3.6 SAMPLING DESIGN
The survey was conducted by circulating structured questionnaire to randomly selected IT professionals and their team leaders. A total of 510 respondents were chosen which includes 450 IT professionals and 60 team leaders representing half a million IT work force in and around Pune city on the basis of random sampling method. Thus the sample design has been developed conducting survey of 15 employees and two team leaders each from 30 IT firms. A total of approximately 410 IT firms are there in Pune city and it was very difficult to study the topic in all the firms so such firms were selected where number of employees is more than 100 and less than 200. 120 such firms were shortlisted and using Slovin’s formula 30 units were randomly selected for the study and proper care has been taken to cover non respondents.

<table>
<thead>
<tr>
<th>Total number of firms</th>
<th>Firms with 100 to 200 employees</th>
<th>Firms selected for study using Slovin’s formula</th>
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<tbody>
<tr>
<td>410</td>
<td>120</td>
<td>30</td>
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<table>
<thead>
<tr>
<th>Number of respondents</th>
<th>Employee as respondents</th>
<th>Team leader as respondents</th>
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</thead>
<tbody>
<tr>
<td>510</td>
<td>15 employees x 30 firms = 450</td>
<td>2 team leaders x 30 firms = 60</td>
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</table>

3.7 GEOGRAPHICAL COVERAGE
The present study covers randomly selected IT professionals from IT industries operating in and around Pune city.

3.8 PERIOD OF STUDY
The period of study pertains to five years from 2011 to 2015.

3.9 COLLECTION OF DATA
Data collection being heart of the research, proper balance is maintained between primary and secondary data. Primary data will be collected through questionnaire and interview method. To collect data through questionnaire two separate categories were considered for better understanding of the topic under study i.e. one for IT employees (Annexure-1) and another for team leaders (Annexure-2). The research is conducted
in 30 IT firms and 510 respondents were randomly selected. Data is collected using a structured close ended pre-coded questionnaire.

Questionnaires are data collection instruments that enable the researcher to pose questions to subjects in researchers search for answers to the research questions. The questionnaire is structured in a 5 point Likert scale format or 4 point scale depending upon the questions. Positive response is primary requisite to achieve the objectives of the research and for this researcher had taken extra efforts to make explain each and every question to the respondents for unbiased response. Analysis of the filled questionnaire has helped the researcher to understand the reasons of employee turnover, implications on organization and the motivations required to reduce the employee turnover in IT industry.

3.10 PRIMARY DATA

In order to understand the facts and figures, researcher has prepared a pilot questionnaire. A highly structured question format allows the use of closed questions that require the respondent to choose from a predetermined set of responses or scale points. The questionnaires are given to 64 IT employees and 23 team leaders separately and were asked to choose the most appropriate choice for the questions asked. Based on the pilot survey and the comments from the respondents about the questionnaire, validity and reliability test was conducted to check the consistency of the questionnaire. After detailed analysis and repeated discussions with the experts and guide, the defects in the questionnaire was removed and gaps were covered to include all the aspects of employee turnover stated in objective and the data expected in the research. After a prominent refinement of the questionnaire, it is distributed to the respondents of the randomly chosen sample.

In addition to the information collected through questionnaire, interviews of all the respondents were also conducted through interview guide because interview is the most effective and direct way of collecting the data. It also helps in oral-verbal stimuli and to gather correct response. The HR managers in these firms were also interviewed to get the opinions related to the motivation, cooperation from the top management, organizational climate, policies, human resource practices, financial incentives, relationship of the team leaders with the employees etc. Researcher had collected the minute details of all the aspects of the research topic at the time of the interview.
Personal interview helped in understanding the views and opinions of these employees truly and frankly.

In the present study, researcher has used various types of observation like – *participative and non-participative observations*. The information was also collected regarding the facilities received by these employees. Other knowledgeable professional groups and experts, trade associations, specialized agencies such as consultants etc., will also be contacted for internal sources such as records, reports, register etc. With the help of all these types of observations, the researcher had collected the information for its validation and objectivity.

### 3.11 SECONDARY DATA

Information related to the employee turnover was collected from various books available in different libraries. Relevant official literature survey was carried out in various libraries, newspapers, magazine, exit interview reports, journals published weekly, fortnightly or monthly and the same is considered during preparation of giving recommendations. Various websites were surfed to find the reasons of employee turnover and management efforts required to reduce the same.

### 3.12 PROCESSING OF DATA

The main objective of the present research is to study the reasons of employee turnover and its implication on the organization. The collected data was processed with the help of excel and SPSS (version 19) and is presented in the form of tables, charts, graphs and pie charts. For the analysis of data, standard statistical tools like percentage analysis, chi square test, T test, cross tabulation and Friedman Chi square test were used. Finally inferences, conclusions and suggestions were drawn and are placed in the appropriate places in the respective chapters. Findings are elaborated and bibliography is given at the end.