CHAPTER 4

RESEARCH METHODOLOGY
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4.0 METHODOLOGY

This chapter highlights the methodology adopted for the study. The research work is based both on primary and secondary data. It contains a set of tools used for this purpose, a detailed questionnaire and a personal interview schedule.

In any research study, methodology is an important element and requires careful planning and implementation. Methodology includes survey, findings through a proper research analysis.

There are two important sources of information that are being adopted in the study. They are primary and secondary sources. Under the primary source of information, there are important methods used in the process of gathering information. These methods are:

A) questionnaire for manager, directors etc.
B) questionnaire for chief accountant or finance director
C) personal interview.

Relevant primary data are collected from primary resources like visits and interviews and by using questionnaire method for two levels of managers.

The secondary data is obtained from annual reports of Central Bank of Iran and reports of national accounts of Iran, reports of the different committees
appointed by the Government of Iran from time to time, different periodicals and journals and books. The collected information and data are analyzed and used for report writing.

4.1 SOURCE OF INFORMATION

In the process of completion of any study, relevant data/information is procured pertaining to the study. Such information can be gathered on primary and secondary basis. There is a basic distinction between the two sources. Primary source of information is first hand information, whereas secondary information pertains to that information which is readily available, which is already existing and has to be referred to.

Through primary source first hand information is obtained and for obtaining first hand information, questionnaires are prepared for the manager directors and chief accountant or finance director.

Questionnaires are very effective means of gathering information. It consists of a layout of questions both for the managers, directors and the chief accountants. Questionnaires help us in knowing the trend.

Personal interviews are another source of procuring information that is directly available to the person conducting the study. Relevant information can be obtained from the person who is being interviewed. If he is a manager, director or chief accountant, information can be extracted relating to the role that he plays in the accounting system. The achievements and drawbacks of a performance accounting system can be known from personal interviews. There is a set of
questionnaire that is prepared for the managers, directors who as subordinates express their views about the performance accounting system.

Recommendations are sought from them as to how a performance accounting system benefits them in their career development and whether it carries some meaning or is just conducted as an annual ritual. Following table shows the sources from which primary information is extracted:

Table No. 1: Source of primary information

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Source of primary information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>questionnaire for manager directors</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>questionnaire for chief accountant</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>personal interviews</td>
<td>38</td>
</tr>
<tr>
<td>4</td>
<td>performance accounting system format</td>
<td>3</td>
</tr>
</tbody>
</table>

In the course of gathering information for the present study, different secondary sources were tapped and varying and diverse information was obtained from secondary sources.

Different periodicals, journals, specialized journals of Iranian journal of research and development etc., various books and previous reports were referred to for extracting relevant information pertaining to the report. Following table shows the sources from where secondary information was procured:
Table No. 2: Source of secondary Information

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Source of secondary Information</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Books</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>reports</td>
<td>57</td>
</tr>
<tr>
<td>3.</td>
<td>Journals</td>
<td>12</td>
</tr>
<tr>
<td>4.</td>
<td>Periodicals</td>
<td>6</td>
</tr>
</tbody>
</table>

The information obtained from these sources has contributed immensely to the report. Many important articles were available in journals and periodicals.

Referring to previous reports gave an idea of the manner in which changes have taken place in the performance accounting system implemented in the previous years. Thus, secondary information is one of the important sources of gathering information.

Thus, primary and secondary sources of information are the two most important sources of extracting information for the study conducted.

4.2 RESEARCH TOOLS

Questionnaire is an important tool for extracting similar information and data, which is needed for the study, from more than one person. For this research study, two questionnaires were prepared. The questionnaires enabled the respondent to think and reply by investing some additional time. First questionnaire for manager directors and second for chief accountant or finance directors.
4.2.1 Preparation of Questionnaire

Questionnaires were designed separately for the manager, directors and the chief accountants or finance directors. Both the questionnaires contained relevant questions which were to be asked from the respondents. In all, there were 8 questions for the chief accountant or finance director or manager director. The questionnaires contained personal, technical, operational and functional aspects of accounting system.

For both the manager directors and the chief accountant or finance director the personal format was the same, their age, educational qualification, number of years of service, designation, experiences, grade, name of company etc.

The questions basically were pertaining to the method of functioning of performance accounting system in the selected companies. The kind of performance accounting format that was applicable to its effectiveness and its drawbacks. These questionnaires helped in identifying certain gaps in the performance accounting system.

It highlighted the effectiveness of an accounting system, and pointed out whether the manager directors or chief accountant or finance director needs any training or orientation programme, to become the chief accountant and to change the system.

The questionnaires revealed that manager, director and chief accountant or finance director needs to go through a training programme, where as manager director need not go through any training or orientation programme.
4.2.2 Personal Interview

Personal interviews also function as important tools in extraction of information from the respondent. It gives scope for oral response, wherein, the concerned individual would not like to go through the ritual of writing down the answers.

The interview schedule is found to be useful to gather the feeling level of respondents on performance accounting system. Both the manager director and the chief accountant or finance director are personally asked about the performance accounting system in the selected companies, how effectively the system is functioning, and to what extent it serves its purpose. All the officers were personally interviewed and their remarks and suggestions were recorded. Various questions were asked such as their views about the performance accounting format, the relationship between the accounting system and the chief accountant or finance director, the reactions of the chief accountant or finance manager on knowing his drawbacks, the feedback, which the manager director gets after conducting the statements. How the present format helps the individual and the company in communication. Such questions raised at the time of the personal interview, evoked sufficient interest and responses were spontaneous.

Personal interview falls under the primary source of data collection where first hand information is available. Thus, it constituted a very important aspect in the development of the report.
4.3 SELECTION OF SAMPLING

Only car manufacturing companies have been considered. In Iran, there are nineteen factories. All of them have been considered. Questions were asked to manager director and chief accountant or finance director from different companies. The study is reported as part of large study linking personal styles. Questionnaires were sent to manager directors and chief accountant or finance director in nineteen companies with a personalized letter requesting a sample representation of managers affected by or determining and to identify accounting system.

4.4 COLLECTION OF DATA

Data collection is a process, which is done while conducting a personal interview and getting a questionnaire filled up from a respondent. It also includes information that is extracted from previous reports, journals, periodicals and books. It is a tabulation of both primary and secondary data.

Table No. 3 : Respondent’s Profile

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Respondent’s Profile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No. of manager director</td>
<td>20</td>
</tr>
<tr>
<td>2.</td>
<td>No. of chief accountant</td>
<td>22</td>
</tr>
<tr>
<td>3.</td>
<td>No. of special and clerical staff</td>
<td>11</td>
</tr>
<tr>
<td>4.</td>
<td>No. of auditor</td>
<td>16</td>
</tr>
</tbody>
</table>
While obtaining information, twenty-six persons from nineteen companies were personally interviewed and their suggestions and remarks regarding the performance accounting system were recorded. Following is a table showing the total number of managers and total number of clerical staff that is being currently employed in the companies.

All the managing directors and chief accountant or finance manager were interviewed and they gave their opinions about the performance accounting system in the companies.

The collection of data from various manager directors and chief accountant or finance director etc. gives an insight of the performance accounting system that is being practised in the companies. Such data has been of immense relevance, towards completion of the report. It was possible to collect both primary and secondary data for the report.
REFERENCES:


