CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

Research is related to investigate for knowledge and skills. It is a systematic process on identifying the innovations for information on a particular topic or issue. It is also known as the art of methodical exploration. The main aim of research is to discover solutions to the defined problems by applying scientific approaches. In other words, “the main aim of research is to find out the truth which is hidden and has not yet been discovered.” However, each research study has its own aims and objectives and limitations. Followings are the main aims and objectives of the research:

1. To achieve acquaintance with new imminent into a phenomenon;

2. To accurately describe the features of an individual, group, or a situation;

3. To analyse the occurrence with which something happens; and

4. To test the hypothesis of a causal association between two variables.

3.2 Research Methods Versus Methodology

Research methods comprise the methods which are adopted for arranging research programme for future development. These are the methods that the researcher uses for conducting the research studies for his area of interest. On the other hand, the
Research Methodology

methodology is the way in which research evils are resolved methodically. It is a science of learning how research is conducted scientifically. In research methodology, “the researcher acquaints himself/herself with the various steps generally adopted to study a research problem, along with the fundamental judgment behind them.” Hence, it is not only important for the researcher to be acquainted with the research techniques/methods, but also the scientific approach.

3.3 Review of Literature

Following literature have been reviewed for the present research:

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<tr>
<th>Author</th>
<th>Topic</th>
<th>Objectives</th>
<th>Methodology</th>
<th>Findings</th>
<th>Research Gap</th>
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<tr>
<td>Prasad, et al.</td>
<td>5.1 Evaluation of the Employee Core Competencies Influencing the Performance Appraisal System with Reference to Agriculture Research Institutes, Hyderabad: A Multiple Regression Analysis</td>
<td>To study PAS and its factors, To identify the main variables of PAS</td>
<td>Regression analysis</td>
<td>It is found that the PAS is affected by the other parameters.</td>
<td>Based on Hyderabad</td>
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<tr>
<td>Singh and Vadivelu</td>
<td>Performance Appraisal in India – A Review</td>
<td>To study performance appraisal system, To study</td>
<td>Random sampling method</td>
<td>It is found that this study focuses only the</td>
<td>No statistical tool used</td>
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<td>(2016)</td>
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<td>Reference</td>
<td>Research Topic</td>
<td>Methodology</td>
<td>Findings</td>
<td>Focus or Scope</td>
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<tr>
<td>Singh, Pooja and Priyanka (2016)</td>
<td>Training and Performance Appraisal Practices of State Bank of India with Special Reference to Varanasi</td>
<td>To identify the training practices followed by State Bank of India. To study PAS in SBI</td>
<td>Random sampling Chi square test</td>
<td>Only focused SBI</td>
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<tr>
<td>Ajitha and Panchana</td>
<td>5.2 Impact of Performance</td>
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<td>It is found that Performance appraisal practices are undertaken to let an employee know how they are performing as well as compare the present performance with that of the supervisor’s expectations and identify those areas that require training.</td>
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<tr>
<td>Author(s)</td>
<td>Title</td>
<td>Methodology</td>
<td>Focus</td>
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<td>Tham (2015)</td>
<td>Appraisal on Attitude of Employees in New Private Sector Banks in Karur, Tamilnadu</td>
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<tr>
<td>Begum, Sameera, et al. (2015)</td>
<td>A Study on Performance Appraisal Private Sector Vs. Public Sector</td>
<td>To compare types of appraisal. To explain the purpose of conducting performance appraisal interviews.</td>
<td>Random sampling method</td>
<td>The study focused on the basic technique of performance appraisal. No specific tool has been used.</td>
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<tr>
<td>Chetana, Pattnaik and Mohpatra (2015)</td>
<td>5.3 Determinants of Performance Appraisal: An Empirical Study</td>
<td>To identify the factors of performance appraisal system To study the factors influencing PAS</td>
<td>Random sampling</td>
<td>It is found that the PAS is affected by other factors at workplace. Based on conceptual parameters.</td>
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<tr>
<td>Kaur, Gurpreet (2015)</td>
<td>Performance Analysis: A Study Of Public Sector &amp; Private Sector Banks In India</td>
<td>To classify the banks in India on the basis of their characteristics To review the performance of the private and public sector banks</td>
<td>Simple random sampling Chi square test</td>
<td>It is found that the banks are based on traditional method of performance appraisal. No proper method has been analysed.</td>
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<tr>
<td>Authors</td>
<td>Year</td>
<td>Research Question</td>
<td>Methodology</td>
<td>Key Findings</td>
<td>Type of Study</td>
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<tr>
<td>Murthy, Rama</td>
<td>2015</td>
<td>A study on Employees’ Performance Appraisal System with reference to APGVB</td>
<td>To study PAS. To evaluate the impact of PAS.</td>
<td>Random sampling. Anova. T-test. Correlation.</td>
<td>Specific to one company.</td>
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<tr>
<td>Saxena, Neha &amp; Rai, Himanshu</td>
<td>2015</td>
<td>5.4 Impact of Performance Appraisal on Organizational Commitment and Job Satisfaction</td>
<td>To study the impact of PAS on organisational commitment and job satisfaction.</td>
<td>Regression analysis.</td>
<td>Applied study</td>
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<tr>
<td>Srivastava and Yadav</td>
<td>2015</td>
<td>5.5 A study of performance appraisal system in unscheduled cooperative Banks in Noida region and its effect on employee’s and</td>
<td>To study PAS in unscheduled cooperative banks. To measures the effect of PAS on organisatio nal</td>
<td>Quota sampling. Chi square test.</td>
<td>Only governmen t banks have been reviewed.</td>
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<tr>
<td>Research Methodology</td>
<td>organisation’s growth and performance</td>
<td>360 Degree Appraisal System and its Suitability for Indian Private Sector Banks- An Empirical Study</td>
<td>To study the 360 degree performance appraisal system To identify the factors affecting 360 degree PAS</td>
<td>Stratified sampling Anova</td>
<td>It is found that the PAS system in private sector banks is not up to the mark.</td>
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<td>Vivekanandan and Mohan (2015)</td>
<td>To study the 360 degree performance appraisal system To identify the factors affecting 360 degree PAS</td>
<td>To understand the relevance of 360 degree appraisal system to present the study findings based on individual</td>
<td>Random sampling method Chi-square test</td>
<td>Only public sector banks have been used</td>
<td></td>
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<tr>
<td>Jayaraman and Srinivasan (2014)</td>
<td>To study DEA approach To evaluate DEA approach</td>
<td>To study DEA approach Chi-square test</td>
<td>The DEA approach provides a comprehensive efficiency index for banks as well as a reasonable way of ranking the banks.</td>
<td>Specific to one model</td>
<td></td>
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<tr>
<td>Kilam, Banerjee and Wadhwa (2014)</td>
<td>To understand the relevance of 360 degree appraisal system to present the study findings based on individual</td>
<td>Random sampling Chi square test</td>
<td>It is found that the type of PAS could be experimented at higher levels in a few banks before the</td>
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<td>Research Methodology</td>
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<td><strong>Krishna, Thulasi (2014)</strong>&lt;sup&gt;9&lt;/sup&gt;</td>
<td>Linkage of Performance Appraisal Rating to Rewards: A Study of Select Public and Private Sector Banks</td>
<td>To study performance appraisal system To find out the relationship between public sector and private sector banks performance appraisal system</td>
<td>Stratified Random Sampling Chi-square test</td>
<td>The appraisal system of private sector banks is able to identify the hidden talents and potential of individuals.</td>
<td>Specified only private sector employees.</td>
</tr>
<tr>
<td><strong>Mehta, Arvind (2014)</strong>&lt;sup&gt;10&lt;/sup&gt;</td>
<td>Impact of performance appraisal system on employee motivation</td>
<td>To study PAS To study impact of PAS on Employees</td>
<td>Simple random sampling Chi-square test</td>
<td>It is found that the PAS increases the motivation of employees.</td>
<td>Only one factor has been analysed.</td>
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<td><strong>Purohit, Manisha (2014)</strong>&lt;sup&gt;14&lt;/sup&gt;</td>
<td>Performance appraisal System of cooperative banks in Pune region: Its implication to employee’s performance</td>
<td>To study PAS in cooperative banks</td>
<td>Random sampling</td>
<td>It is found that the cooperative banks are not performing well in measuring PAS of</td>
<td>No technique has been used.</td>
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<tr>
<td>Research Methodology</td>
<td>5.6 Performance Appraisal of Indian Public Sector Banks</td>
<td>Anova</td>
<td>Based on financial analysis</td>
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<td>Aspal and Malhotra (2013)²</td>
<td>To study the PAS To identify the factors affecting PAS</td>
<td>It is found that the banks are using some techniques of PAS.</td>
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<tr>
<td>Mishra, Lalita (2013)¹¹</td>
<td>A Research Study on Employee Appraisal System Case of Hong Kong and Shanghai Banking Corporation (Hsbc Bank) to study the overall system of performance management and appraisal system for the HSBC Bank</td>
<td>Random sampling</td>
<td>Restricted to one organisation</td>
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<tr>
<td>Showkat, Shagufta (2013)¹⁸</td>
<td>Performance Appraisal in Banking Organizations To see the satisfaction level of employees, towards the existing performance appraisal system in the sample study</td>
<td>Random sampling Z test Measures of central tendency Measures of dispersion</td>
<td>The present study shows that employees of the sample study organisations feel</td>
<td>Limited to specific banks</td>
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<td>Research Methodology</td>
<td>Organizations viz. SBI &amp; J&amp;K Bank Ltd.</td>
<td>less threatened when they have a prior knowledge of assessment criteria. Various sources of employee appraisal have been suggested by the researchers to minimize the rater bias.</td>
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<td><strong>Singh and Mohanty (2013)</strong>&lt;sup&gt;19&lt;/sup&gt;</td>
<td>Performance appraisal practices in Indian service and manufacturing sector organizations</td>
<td>To study PAS To identify the factors of PAS system Random sampling method Chi-square test</td>
<td>It is found that factors identified for measuring PAS are less affected. Based on specific period</td>
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<tr>
<td><strong>Singh and Rana (2013)</strong>&lt;sup&gt;20&lt;/sup&gt;</td>
<td>The Impact of Performance Appraisal on Organizational Commitment of Bank Employees</td>
<td>to examine the impact of performance appraisal on the commitment of bank employees of public sector Random sampling method Measures of central tendency</td>
<td>The study reveals that there is a positive and significant impact of performance</td>
<td>No tools have been used</td>
<td></td>
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<tr>
<td>Singh, Shilpi (2013)(^{23})</td>
<td><strong>5.7</strong> Face of HR Practices in Todays Scenario in Indian Banks</td>
<td>To study the impact of PAS practices To identify the barriers</td>
<td>Simple random sampling</td>
<td>It is found that the HR practices are not adopted by the some banks at appropriate level.</td>
<td>No specific technique has been discussed.</td>
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<td>Srivastava and Purnag (2011)(^{24})</td>
<td><strong>5.8</strong> Employee perceptions of performance appraisals: a comparative study on Indian banks</td>
<td>To study the PAS in banks To identify the variables of performance</td>
<td>Random sampling method Chi-square test</td>
<td>It is found that PAS increases the performance of employees and it is a main cause of employee turnover.</td>
<td>Restricted to specific tools of PAS.</td>
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</tbody>
</table>
3.4 Research Gap

Performance appraisal system is one of the important tool and technique of measuring the performance of an employee at workplace. It is also an effective tool of identifying the best employee out of the group available at workplace. On the basis of work culture, attitude, ability of performing duties and human values, a measurement of performance of an employee at workplace can be determined. Hence, it is essential to manage employees with suitable performance appraisal practices with proper coordination and control by the management at workplace. In the Banking sector, performance appraisal plays an important role in managing its operational activities and business growth through their employees. Various factors affect performance of an employee at workplace in the Banking industry in India. For this purpose, various literatures have been studied for understanding the performance appraisal system at workplace. The literatures have been studied in detail to find out the key factors of performance appraisal system in India. On the basis of the reviewed literature, it has been concluded that few studies were made on the Performance Appraisal System in the Banking sector in India, where the role of performance appraisal exists at immense level. This led to develop an interest to select this topic as a research work for the Ph.D.
3.5 Objectives of The Study

Following are the main objectives of the study:

1. To study the performance appraisal system in selected banks in Rajasthan.
2. To evaluate the parameters of performance appraisal systems in public and private sector banks.
3. To compare performance appraisal system in public and private sector banks.
4. To study the influence of secondary variables on performance appraisal system.
5. To analyse the relationship between components of performance appraisal system.
6. To suggest various means to improve performance appraisal systems in the selected banks.

3.6 Hypothesis of The Study

Hypothesis is an assumption of the validity of which remainder to be tested. It is a proposition whose tenability is to be tested. Generally, hypothesis means an assumption to be proved or disproved. A hypothesis may be formulated in verbal or mathematical form. But, for a researcher, it is a question that he/she intends to re-answer. In this sense, hypothesis can be explained as a test of intention set into view as an explanation for the observed happenings. It is also a hesitant statement, based on theory or on a hasty examination of a sample.
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The research hypothesis is an uncertain reply to question. It is important that the hypothesis must be designed before data is gathered for an unbiased investigation. Additional hypothesis can be designed after data is collected, provided they are tested on the basis of new data. Followings are the main hypotheses for the study:

**H₀₁:** There is no significant difference between performance appraisal systems in the public and private sector banks.

**H₀₂:** There is no significant relationship between components of performance appraisal in the public and private sector banks.

### 3.7 Scope of The Study

The scope of this study is categorized into three categories i.e. for banking sector, for the employees of banking sector and for academicians, researchers and students. The detailed explanation of the components is as follows:

1. **For Banking Sector**

The study is absolutely being more beneficial for the banking sector in India as each bank is ridden by performance appraisal system. This study is providing the results drawn from the feedback from the employees of the selected banks under the study related to the applicability and implementation of performance appraisal practices. This will further help the banks to improve their efficiency and performance for future growth and also guide how the employees can be satisfied in the competitive edge.
2. **For Employees**

This study results in a detailed pros and cons of performance appraisal system at workplace. It is also define the main measures performance of the employees in diverse workplace. This study serves best performance appraisal practices for employees at workplace in the banking sector in India.

3. **For Academicians, Researchers and Students**

The research provides frequent information related to the study to the academicians, researchers and students who are interested in the performance appraisal practices for higher performance of the bank employees.

3.8 **Variables**

The variable is a vital part of each research. It is a value which differs on the basis of content of the research. Generally, it carries to or more than two values which are used to disclose the values of degree. These are not always numeric in nature, but these carry other numerical values too. For effective research, it can be categorized into following two categories:

1. **Dependent Variables**

This is a root variable of research. It is exaggerated in the result of research work. It has a outcome on independent variable of the research. The research cannot be completed without dependent variables, as it is a base of independent variable. The
performance appraisal system is treated as dependent variable in this present study.

2. Independent Variable

Independent variables are those which differ on the basis of dependent variable. In the progression of research, independent variable determines the efficient method of measuring the performance of the dependent variable. It is a controllable variable which can be judicious as per the need of the researcher and his research. In the present study, following variables are assumed as independent variables:

- Awareness
- Stress
- Job satisfaction
- Job Security
- Work-life Balance
- Career Advancement

3.9 Universe of Study

The arrangement of sampling for the study has been formulated on the basis of the background of the study. Followings are the main standards for sampling in data collection in this study:

Target Universe : Employees of the Public and Private Sector Banks

Sampling Method : Simple Random Sampling Method
Sample Size: 300 employees (150 from each Bank)

Area of Survey: Jaipur, Sriganganagar, Hanumangarh, and Bikaner districts of Rajasthan

Sample Design

The study was conducted on the employees of selected banks in Rajasthan from the four cities. For this purpose, employees were selected from 18 years to 60 years on the basis of simple random sampling method. Following formula has been used for this:

\[
\text{Sample Size} = \frac{Z \cdot \sigma(1 - \sigma)}{\text{Margin of Error}}
\]

3.10 Collection of Data

Collection of data is an essential part of each research. If the data is not appropriate and suitable, the results of the research are vault to be misleading. The collection of data is based on the area for which it is to be collected. The researcher has to decide which methods is to be used and in what order to study the problem; whether it is questionnaire, an interview schedule, a case study or observation method or a combination of any of these. The person collecting the data is similarly imperative. He must be fair, intelligent and polite to respondents so that they can satisfyingly part away with the information.
3.11 Sources of Data

For the purpose of data collection and analysis, primary data has been collected through questionnaire filled from 300 respondents of the selected banks from the selected districts of Rajasthan. The selection of respondents was made on the basis of random sampling method. The division of the data collection was made on the basis of the followings:

150 respondents from SBI, and

150 respondents from HDFC Bank.

**Primary data** has been collected through offline questionnaire.

**Secondary data** has been collected from the published reports, manuals, journals, books, magazines and websites of the selected Banks.

The process of **data analysis** has been made using IBM SPSS 20(Statistical software).

3.12 Tools for Data Analysis

The collected data has been analyzed using some statistical tools to find out the inferences of the research. There are various methods of analysis for data for research. In the present study, following tools have been used:

- Measures of central tendency
- Measures of dispersion
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- Correlation
- Diagrammatic presentation
- Chi-square test
- Sample t test

3.13 Hypothesis Testing

Hypothesis testing is a process of validating the assumptions. Normally, a hypothesis can never be proved; it is simply accepted or rejected. The hypotheses that are formulated require to be tested for their acceptance or rejection purpose. In fact, only those hypotheses that are suitably tested for their significance are to be studied form part of the research. Generally, the hypothesis is tested by the use of a predefined decision rule, which is realistic to sample data and which directs the researcher to reconcile on whether to accept or reject the hypothesis on the basis of the respondents consequences. Generally, the hypothesis is categorized into following two categories:

1. Null Hypothesis, and

2. Alternative Hypothesis.

Null Hypothesis

In this, it is assumed that there is no significant variation between the statements of work. It is shown as follows: $H_0 = \mu = 0$
**Alternative Hypothesis**

In this, it is assumed that there is a significant variation between the statements of research work. It is shown as follows: $H_1 = \mu \neq 0$

**Likert’s Scale**

The Likert Scale was developed by Rensis Likert. In this technique, the respondent is free to give his/her response in agree or disagree sort questions. It is an ordinal type scale which offers a numeric rank to the responses but it does not allow composing the differences between the approaches of the responses. The response has been allocating a numeric value from 1 to 7 and total of the numeric value is manipulative by adding their score. In the present research, the responses from the selected respondents have been managed in five categories as strongly agree, agree, neutral, disagree and strongly disagree.
References


