CHAPTER 3

RESEARCH METHODOLOGY
3 RESEARCH METHODOLOGY

3.1 OBJECTIVES OF THE STUDY

To solve the research problems of this study, the researcher framed the following objectives:

1. To analyse the present talent management scenario in manufacturing industries
2. To find out various attributes that play vital role in attracting employees
3. To identify the types of retention strategies practised in organisations
4. To identify the categories of employees for whom these retention strategies are aimed at.
5. To find out who among line managers, HR managers and top management has the onus on retention strategies in the organisations
6. To find out which level of executives is easier to retain
7. To trace out the impact of brand image of a firm and career progression considerations of employees for joining or leaving the organization.
8. To find out the significance the leadership style has on retention.
9. To find out the aftermath of attrition.

3.2 RESEARCH QUESTIONS

Research questions are broad based inquiries which are framed from the theoretical and research knowledge of the researcher in the chosen field of study. Based on the literature review and theoretical insights drawn on the research theme (Talent Management Practices) the following research questions are framed:

1. Whose burden it is to have the organisations’ employee-retention strategy evolved and implemented?
2. Does the effort of organisations in recruiting right persons for the right job get reflected in the performance of employees, namely the integration of recruitment and performance?

3. Is it difficult to retain the senior or the middle or lower level executives?

4. What style of management is most appealing to employees?

5. What type of executives, the organisations are interested to retain at all cost?

6. Though it seems to be a challenge to retain employees in organisations, what are the issues contributing to high attrition?

7. As a corollary to the previous question what are the issues which will help retain the employees?

8. Between competitive remuneration and career progression as motivating factor for retention of employees, what is more important?

9. Why does a fresher leave an organization sooner than the others?

10. When people leave the organisation what causes the greatest concern for the manager?

11. What is the acceptable rate of attrition in these industries?

12. What are the challenges faced by managers to attract/retain employees?

13. What effect does attrition have on the existing employees?

Thus the research questions are broadly framed in order to identify talent management practices as a viable strategy for organizations in alignment with their business strategies in India.
3.3 RESEARCH HYPOTHESIS

In order to support the objectives of the study the following hypothesis statements are framed by the researcher which are tested using appropriate statistical tools.

**Hypothesis 1:** Attributes intrinsic and extrinsic to the job play telling role in attracting Talent

**Hypothesis 2:** Company’s retention programmes are aimed at senior managers and professionals rather than other categories of employees.

**Hypothesis 3:** Retention of employees is a challenging task for Line managers and HR managers in manufacturing organisations.

**Hypothesis 4:** It is easier to retain senior people than the middle or entry level executives in manufacturing organisations.

**Hypothesis 5:** Brand image of a firm and career progression are the pivotal considerations for both joining or leaving an organisation.

**Hypothesis 6:** Employees stick to organizations where democratic values and system prevail

**Hypothesis 7:** When talent leaves organization it leaves back an unpleasant trail.

3.4 SCOPE OF THE STUDY

Manufacturing industry consists of a gamut of agricultural products, automobile, chemical, pharmaceutical, electronic, engineering, textile, and other industries. Manufacturing industry, though, was the target for the study, considering engineering industry occupying the prime of place in manufacture and the automobile industry hogging the lime light at present, the scope of the present study is well within these two industries. Further, the scope has been restricted to the geographical area in and around Chennai.

Talent Management Practices in general are viewed in this study more as an integrated Talent Management than as a Personnel function. However, the study does not purport to go into the
aspects of Information Technology which offers a quite a number of Talent Management Tools.

3.5 CHALLENGES OF THE STUDY

3.5.1 Receiving Responses to the Questionnaire

Questionnaires which were mostly floated online with necessary covering letter and follow up mails mostly found cold shoulders despite personal promises over phone. Because of this the researcher had to abandon those samples and resorted to others either in person with printed questionnaire or through common friends. ‘This necessitated approaching companies not found originally in the population of CII directory.’

3.5.2 Time Constraint

Though the researcher had registered himself for his study way back in 2007 due to official load of work and later due to family commitments he could not get time to pursue the study initially for three years in full swing.

3.6 LIMITATIONS OF THE STUDY

- Talent Management as a concept is of recent origin in the world over and therefore limits the use of relevant literature taken from developed countries as well as from Indian research.

- The study is restricted to the respondents from the CII membership directory in and around Chennai only.

- The data collected from the sample is highly contextual to factors such as place and time of data collection, and time available to the respondents. Hence, there exists probability to get diverse result as and when the context may vary
3.7 TYPE OF RESEARCH

The type of study undertaken during this research was descriptive to achieve the objectives of this study enumerated at the very outset of this chapter. There are three main types of descriptive methods: observational methods, case-study methods and survey methods. With the observational method (sometimes referred to as field observation) animal and human behaviour is closely observed. There are two main categories of the observational method — naturalistic observation and laboratory observation. Case study research involves an in-depth study of an individual or group of individuals. Case studies often lead to testable hypotheses and allow us to study rare phenomena. Case studies should not be used to determine cause and effect, and they have limited use for making accurate predictions. In survey method research, participants answer questions administered through interviews or questionnaires.

3.8 DATA REQUIREMENTS

3.8.1 Primary Data

The researcher has adopted survey method to collect the primary data. In this regard the researcher developed a questionnaire and distributed among the respondents to collect the said data. The questionnaire developed for this survey method for this study is reproduced in the Appendix 1.

3.8.2 Secondary Data

Secondary data were collected from different sources which included research papers, magazines, research reports, websites, Government sources and Newspapers. The researcher has done extensively the review of literature. This has helped to understand the parameters of Talent Management based on which the questionnaire was constructed effectively. It has enabled the researcher to know that nothing much has been done in the area of Talent
Management in the Indian Context. Further this study has also helped in framing the hypotheses of the research. Moreover in order to find out the names and locations of manufacturing companies in around Chennai, the researcher relied on the 2009 member directory of Confederation of Indian Industries.

3.9 SAMPLE DESIGN

3.9.1 Population

Since the research has been limited to the manufacturing industries located in and around Chennai, the districts covered for the study are Chengalpet, Chennai, Kancheepuram, Tiruvallur and Vellore. The population was ascertained from the directory of members of the Confederation of Indian Industries (CII), 2009. The number of organisations in this territory was found to be 441 including 36 educational institutions. The researcher eliminated these educational institutions from the scope of study since the study is on manufacturing industries. Of the balance 405 organizations the number of large scale industries is 112; that of Medium scale is 180 and that of Small scale is 113.

3.9.2 Sampling Methodology

Considering the geography and the population the researcher opted for convenient sampling methodology for the study.

3.9.3 Sample Size

The researcher chose 25% of the population as sample size for the research, which amounted to 101. Once the sample size was decided it was purely based on the contacts the researcher had in the organization either due to personal rapport or through friends, the companies were chosen for the survey. This is very much in line with the sampling technique adopted. Therefore the researcher added five more companies to the sample size since the CII
directory did not have Ford India, BHEL, Larsen and Tubro, Carborandum Universal, Murugappa Morganite and TAFE which could not be missed out in the study. Thus the final size of sample rose to 106 which is quite representative of the population. Of these the number of Large scale companies is 55, that of Medium is 39 and that of Small Scale is 12.

3.9.4 Sample Size Calculation

The samples considered for this study consists of small, medium and large scale engineering and automobile industries situated in and around Chennai as indicated above. From each of the scale in the population the sizes of the samples chosen are not proportional because the study is not purported to analyse the practices in Talent Management as practised in Large or Medium or Small industries. Moreover it would have been futile as all small scale industries did not practise this concept. Hence more numbers of Large and Medium scale industries were included for the study.

Table 3.1: Sample Size Calculation

<table>
<thead>
<tr>
<th>Population</th>
<th>405</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sampling Method – Convenient Sampling</td>
<td>25% (Percentage considered for Study)</td>
</tr>
<tr>
<td>Sample Size</td>
<td>106 (Actual Number of Responses including the five companies added on to the population)</td>
</tr>
</tbody>
</table>

3.10 PERIOD OF STUDY

This study was conducted during the years 2011 and 2012. Though the intent of the study had been from the year of 2007 and though there had been an economic meltdown during 2008-2009, the actual study was undertaken after the economic meltdown was worn out. The
economic meltdown, therefore, does not have a bearing on the talent management in manufacturing industry.

3.11 DATA COLLECTION METHODOLOGY

Being a comparatively new realm of research in the field of Talent Management in India, it was felt expedient to take an empirical study to test and understand the multiple variables contributing to Talent Management practices in engineering and automobile industries in and around Chennai. The study was conceived and conducted in three stages as indicated below:

![Figure 3.1 Stages of the Research](image)

To extract the variables that matter for Talent Management, vis-à-vis for attraction and retention of employees the researcher resorted to secondary sources and got them validated through informal discussion with the practicing HRM professionals. Based on these efforts a questionnaire was developed which, in turn, was tested with a pilot study at Stage II. After making slight modifications in the questionnaire as an outcome of Stage II, the researcher
administered the modified questionnaire in the final study in Stage III. The details are discussed in the ensuing sections.

3.11.1 Preliminary Study

A preliminary study was conducted in SIPCOT, Ranipet area (120 km West of Chennai on the way to Mumbai) to find out the items influencing attraction and retention of employees both from the point of view of employers as well as employees (because the respondents, though they represent the organisations, they also play the role of employees most of the time). The following items were brought out to be included in the questionnaire:

3.11.1.1 Issues Related to Employees Leaving the Organisations

Benefits and Learning Opportunities, Challenging Role, Leadership Style in current job; Loss of Productivity, Loss of Expertise, Loss of Business Opportunity, Loss of Goodwill, Degradation in Quality, High Financial Cost through Recruitment, Disruption in Social and Communication Network, Administrative Problem, Brand Image of the company, Stress associated with transition and change, Uncompleted Projects; the question “Who is leaving the co.?” , the question, “How many are leaving?”, and the question, “Why are they leaving?” These are the issues or variables considered in the study with respect to employees leaving organisations.

3.11.1.2 Issues Related to Retaining Employees in the Organisations

Ease to commute, Job Profile, Career Development, Convincing Employees to pursue career in manufacturing industry, Financial Difficulties, Social Network, Compensation and Benefits offered, Career Problems, Relocation costs, Learning Opportunities, Challenging Role, Motivating Environment, Delegation, Focus on Future Career, Lack of Growth and Advancement Opportunities, Standing up for the team, Providing Coaching, Lack of Challenging and Supportive Work Environment, Lack of Growth and Advancement
Opportunities, Lack of Competitive Compensation and Rewards, Inefficient Communication Channels, Inspirational, visionary, and charismatic Leadership, Extra Responsibility, Providing of Job Challenges, Providing Adequate Chance for Career Growth, Providing Job Challenges, Clarifying Job Responsibilities and Career Path, Brand Image in current employment. These are some variables identified in the study with respect to retention of employees in organisations.

3.11.1.3 Issues Related to Attracting Employees to the Organizations

Brand Image of company in choosing next Employment, Ease to commute, Job Profile, Career Development, Convincing employees to pursue career in manufacturing industry, Challenging and Supportive Work Environment, Competitive Compensation and Rewards, Extra Responsibility, Providing of Job Challenges, Providing Adequate Chance for Career Growth. On the study on attracting employees to organisations these variables were identified for the study.

3.11.2 Research Instrument

From the literature review and the preliminary study the parameters that go into talent management, namely for attraction and retention of talent and those involved in attrition were identified. After discussing with some academic fraternity and also with friends in industries the researcher developed a questionnaire for survey which comprised of the demographic of respondents in the beginning which ultimately was not of use for the study as it did not really make any difference to the study. Moreover the scale of the industries studied also did not matter much. Hence in the ultimate analysis the parameters of talent management as required for the study were only incorporated in the 38 questions therein. Afterwards the same instrument was converted to electronic format with Google survey instrument for onward despatch to potential respondents.
3.11.3 Pilot Study

After the variables to be covered in the research had been obtained through the preliminary study, a questionnaire was developed for the survey and a pilot study was conducted in the same territory, namely, SIPCOT, Ranipet, practically with the same set of 10 organizations. Based on the data collection experience with this group, the researcher made very small modification in the questionnaire. The questions purporting to establish whether the industry under study belonged to large, medium or small industry were removed, as the financial details were not freely shared and moreover, the scale of the industry was not in the focus of the present study.

After knocking off the ‘irrelevant’ questions, the questionnaire was retained in its same format for final administration. Still, in ultimate administration of the questionnaire, even the personal data sought of the respondents, such as their names, designations, etc. were not responded to freely. Therefore, in the final questionnaire though these questions were incorporated, they were discounted for analysis.

3.12 RELIABILITY OF THE RESPONSES

Reliability has been identified as a necessary but not a sufficient condition for validity (Cronbach, 1951; Glass and Hopkins, 1984; Pedhazur and Schmelkin, 1991). The most common type of reliability measurement evaluates the internal consistency of items in a scale. Internal consistency is the degree of homogeneity among the items that constitute a measure (Brown, 1970).

Here, Cronbach’s alpha was used by the researcher to determine the reliability of the scales and results. All the 106 responses were taken for this purpose. Alpha coefficient ranges from
Research Methodology

0 to 1 and this can be used to describe the reliability of factors as given below. The higher the score, the more reliable the generated scale is. The alpha coefficient values of the individual score of the items had no correlation with the total scores that is lower than the 0.35 cut-off value suggested by Saxe and Weitz (1982). All the item-to-total correlations for the expectations scale ranged from 0.6274 to 0.8597. Nunnaly (1978) has indicated 0.6 to be an acceptable reliability coefficient. As it is, the procedure output has an overall alpha of 0.8658 which is good considering that .60 is the cut-off value for acceptability. The summary statistics of mean, range, variance, minimum and maximum values are also obtained.

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>0.8658</td>
</tr>
</tbody>
</table>

3.13 STATISTICAL TOOLS

Since the questionnaire was aimed at eliciting the practices followed in the area of Talent Management in various organisations the questions contained ranking, choices among a number of parameters. The questions could not be fitted on any specific scale such as Likert Scale. Hence for analysis of data the following statistical tools were used.

Consolidation of the data and statistical analyses were done using SPSS statistical package. Chi-Square tests were applied to 9 pairs of variables to ascertain the mutual dependency of each pair individually. Correlation test was performed to identify the nature of relationship among the components of Talent Management such as Career Development, Brand Image and Compensation included for this study. Percentage study was also resorted to analyse the pattern of preferences among the respondents. Moreover, Factor Analysis was done to
identify underlying variables or factors that explain the pattern of correlations within a set of observed variables, especially those involved in intrinsic and extrinsic to the job. Resorting to data reduction in the factor analysis, eleven attributes were reduced to two clusters in the aspect of attracting talent, namely, extrinsic to the job and intrinsic to the job.

The above research methodology was followed and no stumbling blocks were experienced in conducting the research, which indicated that the method was suitable and satisfactory. The results and findings derived from implementing these research methods are reported and discussed in the ensuing chapters.