CHAPTER 4

STUDY DESIGN AND RESEARCH METHODOLOGY

4.1 INTRODUCTION:

In this chapter the key themes and some thrust points pertaining to the study are concerned. All these sub themes / thrust points are linked with the performance appraisal and performance appreciation through promotion which is the key themes of this study.

There are various methods of appraising performance one element common among them is they recognize it is the human resource which give the business a strategic advantage; hence having an appropriate performance appraisal system and rewarding high performing employees through promotion or other reward mechanism is very important. Keeping these points in view, hypothesis of the study has been devised, revisited and analysed in the chapter. The various concepts and principles are given in the succeeding paragraphs. This is followed by a discussion on the methodology of the study.

4.2 PERFORMANCE APPRAISAL:

Armstrong (2005) described the role of performance appraisal as a tool for looking forward to what needs to be done by the people in the organisation in order to achieve the purpose of the job, to meet new challenges, better use of technology skills and attributes.

- Performance Appraisal Process:
  1. Establishing performance standards
  2. Communicating standards and expectations
  3. Measuring the actual performance
  4. Comparing with standards
  5. Discussing results (providing feedback)
  6. Decision making – corrective action
4.3 PERFORMANCE APPRECIATION THROUGH PROMOTION:

An employee is generally rewarded for high performance in his job over a period of time (usually a year or two). "Promotion" is a term which covers a change and calls for greater responsibilities, and usually involves higher pay and better terms and conditions of service and, therefore, a higher status or rank.

4.4 X-RAY METRICS FACTOR:

Metrics can serve as leading indicators of problems, opportunities and future financial performance. Just as X-rays (now MRIs) are designed to provide deeper views of our body metrics can show problems and opportunities that would otherwise be missed.

Metrics has to be necessary, precise and consistent and sufficient for review purposes, for measurement. In the present study, with the help of X-ray metrics factor two metrics i.e. performance metrics and financial performance metrics have been formulated.

4.4.1 Performance HR Metrics:

A Metric is measuring system that quantifies a trend, dynamic, or characteristic. In the present study performance HR metrics for selected ITES companies has been formulated with some common traits and key performance indicators like, customer satisfaction, talent retention, training and development, interchangeability / flexibility, acceptance of change, feedback/follow-up, and performance based rewards/ incentives, crisis management, and innovative approach.

4.4.2 Financial Performance Metrics:

Financial Metrics for selected ITES companies has been formulated with certain prominent financial performance indicators like Revenue, Net profit, Return on Capital Employed (ROCE), Margin on Sales percentage (MoS) and Earning Per Share (EPS).

Marketing Metrics + Financial Metrics = Deeper Insight
4.5 DASHBOARDS:

Dashboard acts as the primary analytical application in any organization. The Dashboard provides critical indicators together so that the information is available in one snapshot. Dashboards are the simplest type of Performance Measurement System; a dashboard combines the company’s numerous metrics, targets & performance data into one online or printed document. A dashboard enables executives and managers to easily digest the company’s aggregate performance data.

‘Dashboards’ is the presentation of metrics in the form of graphs. In the present study, the financial performance metrics of selected ITES Companies is presented in the form of dashboards.

The hypothesis which is validated in the present work has emerged as:

**Hypothesis:** There are certain constraints / lacunae in existing performance appraisal system and promotion policies of ITES companies.

4.6 UNIVERSE OF THE STUDY:

For the purpose of the study, different ITES companies located in Pune were visited to have an overview and to know the status of Performance Appraisal Systems and promotion policies. Indian ITES services can be classified into IT services, R&D services, Customer interaction services, Transaction Processing, Content development, Knowledge services, Engineering design, Data processing, Medical transcription, Consulting etc.

Pune has a burgeoning ITES industry. Many of India’s major ITES players such as TCS, Infosys, Wipro, Satyam, Tech Mahindra, Tata Technologies Ltd, Mastek Ltd., Persistent Systems, Patni Computer Systems, Cybage, Manas Solutions Pvt Ltd, have their presence in Pune. Global majors like HSBC Global Technology, PTC, IBM, SIEMENS, Sybase, EDS, I-Flex, Cognizant, Sasken, KPIT Cummins Infosystems Inc., Amdocs, Avaya, Aftek Infosys, Syntel, Zensar and TIBCO Software have a major presence in Pune’s various Software Technology Parks and other areas.
Thus the employees working in the selected ITES companies formed the universe of the study.

4.7 SAMPLING FRAME:

The list of the ITES companies was taken from the yellow pages, which served as the frame for the purpose of the study. This provided the complete list and companies were taken into consideration from the same.

4.8 SAMPLING TECHNIQUE AND SAMPLE SIZE:

Stratified sampling method was used to design sample. From the selected ITES companies, the respondents were categorized into Managers or Executives working in these companies and employees working under them. Random sampling was used to collect the data. The lists of persons working in these companies were taken and randomly respondents were selected to collect the data.

4.9 SAMPLE PLAN:

The total numbers of companies selected are 10. From each company random selection of 10 executives or managers is done. The designations of these ten respondents are Business Development Officers, Managers, Asst. Managers, Software Specialists or SMEs, Sr. Software Engineers and Software Engineers. Two respondents from each respective designation are selected. Secondly data is collected from the 12 workers (i.e. employees working at the junior level/ bottom level of management). Thus, in total data is collected for 220 respondents. The table 4.1 presents the sample plan (for respondents)
### Table 4.1 Sample Plan (For Respondents)

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Designation</th>
<th>Number of Respondents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Business Development Officer</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Managers</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Asst. Manager</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Software Specialist or Subject Matter Experts (SMEs)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sr. Software Engineer</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Software Engineers</td>
<td>12</td>
<td>10 X 12 = 120</td>
</tr>
</tbody>
</table>

10 X 10 = 100

220

#### 4.10 DATA COLLECTION TOOLS:

Two comprehensive structured questionnaires (Appendix A & B) were designed for collecting the data as per requirement of the study. First questionnaire was designed (Appendix A) for the managers and executives working at the middle and top level of management in ITES companies. Keeping in view the time limitation of the respondents and to ensure speedy responses from the respondents, the questionnaires were administered personally to all the respondents. The questionnaires were designed in such a fashion that the maximum information relating to the research objectives may be extracted from the respondents on various aspects of Performance Appraisal System and Promotion policy. Most of the questions were responded on various scales. All questions were close ended, so that the respondent’s time may be optimally used. There were few open ended questions which had to be there to meet the need of the Study.

Second questionnaire (Appendix B) was designed to know perceptions and experiences of the employees (i.e. employees working at junior level or at the bottom level of management) towards their performance appraisal system and promotion policy. These
questionnaires could help to judge the effectiveness of performance appraisal system and promotion policies.

The efficiency of the questionnaires was tested on a small group of executives working in ITES companies (30) and employees (40) separately and the necessary modifications were made on the basis of the feedback received from these respondents. The modified questionnaires were used for collecting the data. The questions were framed so as to cover all the dimensions for the study.

4.11 VALIDATION OF QUESTIONNAIRE:

4.11.1 Face Validity

This refers to the degree to fit between researcher’s perception and the concept of the variables, which are operationalized through the questionnaire. The operational definition looks on the face of the questionnaire as though, it measures the concept under the study. Expert’s opinion was taken for establishing their viewpoints, wordings and suggestions. The final validity was done through number of validation sessions after revision / refining of the questions.

4.11.2 Content Validity:

The Questionnaires have high content validity for the following reasons:

1. Framing of questions was done by involving knowledgeable persons with vast experience of research and teaching of Performance Appraisal and Promotion.
2. Review of literature.

4.11.3 Construct Validity

In attempting to evaluate construct validity, both the theory and the measuring instrument being used are considered. For example, if we are interested in measuring the effect of ceremony on organisational culture, the way in which ceremony was operationally defined would have to correspond to an empirically grounded theory. Once it is assured that the construct is meaningful in a theoretical sense, then investigate the adequacy of the instrument. Attitude scales and aptitude and personality tests are the generally concerned concepts that fall in this category. Although this situation is much more difficult, some assurance is still needed that the measurement has an acceptable degree of validity.
4.12 TESTING OF QUESTIONNAIRE:

On completion of questionnaire validation it was subjected to pre-testing through a small sample of respondents (20). The pre-testing respondents are generally selected from the same population from which actual survey is done (Thakur, 1993). The object of the pre-testing was to ensure easy understandability, and eliminating any confusion or misunderstanding.

4.13 DURATION OF THE SURVEY:

Data was collected from May 2009 – April 2010

4.14 METHODS OF ANALYSIS & STATISTICAL TOOLS:

Filled – up questionnaires were examined for their correctness and observed gaps were mitigated through follow – up with the respondents. In the current research work, data related to research topic was fed to the SPSS (Statistical Package for Social Sciences), and then various operations were performed. Data analysis was done by using various statistical techniques such as frequency, correlation, multiple responses etc. in order to draw meaningful findings and conclusion.

4.15 OBSERVATION METHOD:

The observation method employed as supplementary technique to generate more thoughtful information about the research problem.
4.16 METHODOLOGY:

A suggested methodology is depicted in the following Figure 4.1

![Figure 4.1: Methodology of the Study](image)

4.17 QUALITATIVE ANALYSIS:

Herein based on the interview with officials working at the top management, the study has been conducted objectively. The interviews were taken in an unstructured form and further analysis / outcome has been suitably presented. The interviews were quite
revealing and present a deep insight to the existing problem. This covered generally the main thrust/ or strong points and weak links of the employees as well as core competencies of the organisations.

4.18 EMPIRICAL STUDY:

Empirical study covers the survey done by the way of questionnaire. The questionnaire prepared was based on structure of organisation, cultural details, flexibility in HRM, productivity, performance appraisal system, promotion policy, knowledge management etc. The data collection was not easy but a marathon task due to confidentiality considerations.

4.19 SYNTHESIS AND PROPOSED FRAMEWORK:

Finally, a holistic approach of the total analysis has been done based on the hypothesis, finding weak links and main strengths of the performance appraisal system and employee promotion policy in selected ITES companies. Synthesis brings in an overall holistic study of the organisational work culture.

4.20 CONCLUSION AND RECOMMENDATIONS:

The analysis of the data collected through interviews, questionnaire and case studies has brought to light various facts/ findings related to core competence, training & development, where further improvement is required vis-à-vis human resource practices, organisational structure and processes , performance appraisal system which make an effective study of companies.

Limitations of the study have been brought out too. Some main creative recommendations have been finally suggested with recommendation for overall improvement of the organisation.

4.21 LIST OF SELECTED ITES COMPANIES:

- ZS Associates Ltd.
- Tata Consultancy Services (TCS)
- Infosys
- IBM India Pvt. Ltd.
- Patni Computer Systems
- Zensar Technologies
• Wipro Technologies Ltd.
• WNS Global Services
• Cognizant
• Persistent

4.22 CONCLUDING REMARKS:

In this chapter, the concept of Performance appraisal, Promotion policy, the techniques to evaluate organisational performance i.e. Performance Metrics, Financial Performance Metrics have also been covered and a hypothesis has been evolved. Finally the methodology of the study has been designed and discussed. The implementation of the research methodology is discussed in the subsequent chapters.