CHAPTER III
RESEARCH METHODOLOGY

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3.1 Chapter Overview

This chapter outlines methods incorporated to investigate the relationship between recruitment strategy and employee retention. The type of study is explained. The research sampling is described with sample plan and samples used. The operational definition of independent and dependent variables is explained. It also states tools of measurement of variables studied. This chapter concludes with procedure used in data collection for the study.

3.2 Type of Study

It is an exploratory study undertaken to ascertain and describe the characteristics of recruitment strategy and employee retention variables. Hypotheses are developed to assess the nature of relationship or differences among variables. Specifically, the present study is aimed at capturing the recruitment strategy in a holistic way; and finds its relationship with the type of employees retained in the organization. The first aim is descriptive in nature. The second aim is pursued through series of hypotheses.

This study is developed on the basis of literature review of research conducted considering different variables one at a time. Aim of this research is to consider together all those variables of recruitment strategy, considered by the earlier researchers, to conduct its holistic study and find its overall relationship with retention i.e. dependent variable. Thus, first step is to find correlation of independent and dependent variables. Further, multiple regression analysis is conducted to find the strength of relationship between those variables.
The present study is designed on the basis of the theoretical and methodological considerations. As far as the latter is concerned, there have been certain practical, externally imposed constraints that did not permit the researcher to follow the methodological considerations, that is, to employ a longitudinal design. This cross-sectional study was designed to examine the relationship of recruitment strategy with employee retention. This study is not of predictive nature but it attempts to find the relationship between recruitment strategy and employee retention.

This chapter includes a description of the population under study, data collection methods, survey instrument development, and the statistical techniques that are used to analyze the data.

3.3 Sampling

The research on applicant impressions is gathered exclusively from applicants. Due to the sensitive nature of the questions, all respondents were guaranteed anonymity, and no specific data that might identify the respondent was solicited. For generalization purpose not more than 70 responses were collected from single organization.

A certain amount of tenure is necessary in order to assess retention of employees. So those employees who have completed one year in the organization were considered for the study. Also, as employees have to give their opinion about recruitment experience only those employees who have been employed for not more than 5 years were considered. The reason being such employees might not be able to clearly recollect their recruitment experience after five years of tenure in the organization.

There are 22 private sector banks, 33 co-operative banks, and 40 foreign banks operating in India. Similarly, there are 24 life insurance companies and 28 general insurance companies operating in India. Out of these organizations 10
private sector banks, 6 co-operative banks, 9 foreign banks, 10 life insurance companies, and 11 general insurance companies are randomly identified for the study. Three organizations from each category are randomly identified for interviews with HR heads and recruitment heads.

To collect data from bank and insurance professionals, researcher approached various banks and insurance companies with request to them to give details of the employees having zero to 5 years of tenure in their current organization, working at different managerial levels, across geographical locations in India. Researcher had approached respondents personally through face to face meetings, telephone, and e-mails.

The sample for the study consists of 591 employees at three levels in organizations i.e. entry level managers, middle level managers and top managers working in 46 private, foreign and co-operative banks as well as private and foreign insurance, both life and general insurance companies, operating in India. 25% of the respondents are working in co-operative banks, 26% in private banks, 14% in foreign banks, 14% in general insurance companies, and 20% in life insurance companies operating in India.

Out of total 591 respondents, 67% are males. 12% of them are below 25 years of age, 73% are of age between 25 to 35 years, 12% are of age between 35 to 45 years, 2% between 45 to 55 years, and 1% have age above 55 years. 47% of respondents have bachelor degree, 34% master degree, and 17% professional degree. Out of 591 respondents 47% have tenure of 1 year to 3 years in current organization. 17% have experience of 3 years to 5 years in current organization, while 15% of them have more than 5 years of tenure in current organization. The total experience in banking and insurance sector is also considered in this study. Amongst all respondents 25% have experience of 1 year to 3 years in the industry, 27% have 3 years to 5 years of total
experience, and 40% of respondents have more than 5 years of experience in the industry.

3.4 Variables and Operational Definitions

Due to the nature of the recruitment process, different activities are measured. The specific recruitment activities measured in the study were selected on the basis of findings and suggestions from three sources: previous research, applicants (at pilot study), and company HR heads as well as recruitment heads. Items were identified to tap the relevant activity and were revised based on the comments from applicants and company recruiters. The operational definition of variables is explained below:

3.4.1 Recruitment strategy – Independent Variables

Recruitment strategy is defined as a collection of decisions regarding source of recruitment, information shared with the applicant, recruiter and recruitment process followed, interviewer and interview structure, and applicant attractor factors used by the organization.

Source of Recruitment

The components of source of recruitment is considered from Klaus Moser (2005)’s study. It contains mainly two sources of recruitment i.e. Internal and External. Internal source includes recruiting by referrals, rehires, and in-house notices. While external sources include recruitment through job advertisements, employment agencies, search firms, school/college campus, and walk-ins. Single items are used for assessing this information.

Information Shared

The study considers attributes of information shared on job facets by Caldwell and O'Reilly III (1985). Those attributes are information on salary and
benefits, career paths, content of work, working conditions, co-workers, level of responsibility, and training and development. These attributes were measured on a dimension of reality, specificity, and whether shared on time or not, as suggested by Philips (1998), and Frank Mianzo (2005) in their study.

Recruitment Process Experience

Various researchers have suggested that two recruiter characteristics account for the most variance in overall applicant reactions: how personable the recruiter is (caring, empathetic, or concerned), and how informed or informative the recruiter is (about the applicant, job, and company) (Harris & Fink, 1987; Herriot & Rothwell, 1981; Powell, 1991; Turban & Dougherty, 1992).

In today’s world of information technology, organizations are making use of communication technology like telephone, internet, and video-conferencing for smooth functioning of recruitment activities. This has led to lack of face to face contact of applicants with organization representative, who can act as a recruiter. The only face to face conversation applicant has is with the interviewers. Thus, recruiter characteristics like personableness, and informativeness are least experienced by the applicants during recruitment process. But applicants can experience the personableness and informativeness of the organization as a recruiter.

The attributes of recruitment process experience considered are personableness, informativeness, competence of organization as a recruiter, previsit information shared, and applicant treatment during recruitment. These attributes are measured on a five point Likert’s scale. Cronbach Alpha is 0.86
Interview Structure

The components of interview structure are explained by various researchers like Yates (1988), Campion, Plamer & Campion (1998), Hyde (1997), Downs (1969), Engler-Parish & Miller (1989), Fletcher (1989), Rynes, Bretz & Gerhart (1991), Taylor & Sniezek (1984). After reviewing attributes, those attributes considered for the study are informedness of interviewer, questions by applicants, content of discussion, time spent during interview. These components of interview structure are measured on a five point Likert’s scale. Cronbach Alpha is 0.88

Applicant Attractors

The study has adapted attributes developed by Steven Ralston & Robert Brady (1994). Their tool is based on prior research (cf. Bergman & Taylor, 1984; Harris & Fink, 1987; Powell, 1984, 1991; Rynes & Miller, 1983). The attributes of applicant attractor considered for the study are use of benefits, job security, training, career advancement opportunities, salary, reputation, growth, management philosophy, and geographic location options given by organization during recruitment process. These attributes are measured on 5 point Likert’s scale. Cronbach Alpha is 0.88.

3.4.2 Employee Retention – Dependent Variables

Research by Barbara Kreisman (2002) demonstrates that the working population or retained employees can be categorized as: people who are engaged (loyal and productive), those who are not engaged (just putting in time), and those who are actively disengaged (unhappy and spreading their discontent). Specifically, employee retention is categorised into three types of employees staying with the organization namely, committed, burnouts, and employees with turnover intent. The measure can be explained as follows:
Commitment

Employee commitment is measured by the 15-item Organizational Commitment Questionnaire (OCQ) (Porter et al., 1974), which has demonstrated good psychometric properties and has been used with a wide range of job categories (Mowday, Steers, and Porter, 1979). The study makes use of 7 point Likert’s scale for its measurement. Cronbach Alpha is 0.83.

Burnout

As per a study by Schaufeli and Dierendonck (1993) the MBI – Maslach Burnout Index (Maslach and Jackson, 1981) can be employed as a reliable and valid multi-dimensional indicator of burnout in professionals who work with people. MBI assess three components of burnout: emotional exhaustion, depersonalization, and low personal accomplishment. The same is adapted here for the study on 7 point Likert’s scale. Cronbach Alpha is 0.89 of Emotional exhaustion, 0.82 of Personal Accomplishment, and of Depersonalization it is 0.74

Turnover Intent

Turnover intention is operationalized as the likelihood that a person will seek employment elsewhere rather than remaining in his/her present job (John Besich, 2005). For this study purpose the five point Likert’s measurement scale developed by Mak and Sockel (2001) is adapted. Cronbach Alpha is 0.82

3.5 Control Variables

The control variables of the study are stated as follows:

- Banking and insurance sector in India
- Tenure of respondents
3.6 Tools of Measurement

The studies that are considered for developing scale are summarized in the following table:

**Table 3.1: Measures**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Studies considered</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recruitment Strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source of Recruitment</td>
<td>Klaus Moser (2005), Fisher et al. (2005)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Caldwell &amp; O'Reilly III (1985) and Philips (1998)</td>
<td>Parametric data</td>
</tr>
<tr>
<td>Information shared</td>
<td>Harris &amp; Fink (1987) and Taylor &amp; Bergmann (1987)</td>
<td>0.857</td>
</tr>
<tr>
<td>Recruitment process experience</td>
<td>Jablin &amp; McComb (1984) and Harris &amp; Fink (1987)</td>
<td>0.883</td>
</tr>
<tr>
<td>Interview structure</td>
<td>Ralston &amp; Brady (1994)</td>
<td>0.879</td>
</tr>
<tr>
<td>Applicant Attractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>Porter, Steers, &amp; Mowday (1974)</td>
<td>0.827</td>
</tr>
<tr>
<td>Burnout</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Exhaustion</td>
<td>Maslach et al., (1981)</td>
<td>0.896</td>
</tr>
<tr>
<td>Personal Accomplishment</td>
<td></td>
<td>0.824</td>
</tr>
<tr>
<td>Depersonalization</td>
<td></td>
<td>0.743</td>
</tr>
<tr>
<td>Turnover Intent</td>
<td>Mak and Sockel (2001)</td>
<td>0.821</td>
</tr>
</tbody>
</table>
3.7 Data Collection

A survey questionnaire was developed to collect the data on various dimensions. The same was administered among the bank and insurance employees. A letter of invitation to share the data was given by the supervisor to each of the participating organizations. Questionnaire with a copy of this invitation letter and an appeal to respondents was given in the beginning of the survey questionnaire. The participating organizations were assured confidentiality of the data collected from their employees. Employees were also assured that their responses will be kept confidential and only consolidated data of all responses will be shared with concerned authorities in the organization.

The interference of the researcher was minimal to the extent of interviewing HR and recruitment heads and administering questionnaire personally amongst the selected employees of the banks and insurance companies.

The data so collected was analyzed and is presented in the next chapter. It also includes discussion of the results.