CHAPTER-3

RESEARCH METHODOLOGY

Chapter three of the dissertation is a description of the methods used in collecting data for a study that aimed at understanding relationship management practices in the area of banking in India (Pune) and Kenya (Nairobi). The methodology dealt with: research design, target population, the sample size, sampling procedures, research instruments, instrument validity, instruments reliability, and data collection and analysis techniques.

3.1 Research Design:

This study used the descriptive survey design; which according to Kerlinger, (1964:393) “is that branch of social scientific investigations which studies large and small populations or universe by selecting and studying samples chosen from the population to discover the relative incidence distribution and interrelations.” The implication of the foregoing observations is that it is not possible to reach the entire population hence the need for choosing a representative sample. Peedy, (1985:133) observes that a survey enables a researcher to draw conclusions from one transitory collection of data to extrapolate what is likely to happen again under similar circumstances. Although survey research cannot establish casual relationships with any degree of certainty, it can be successfully used to explore, relationships between variables.

It is in light of the above observation that the present study sought to conduct a study of relationship management in Pune and Nairobi. Good (1963:244) enumerates the advantages of using descriptive survey, which include: (i) Securing the evidence of the existing situations or current conditions. (ii) To identify the standards or norms with which to compare present conditions in order to plan the next step. (iii) To determine how to take next step having determined where we are and where we want to go.
In view of the above advantages the researcher will conduct the survey.

According to Best and Kahn (1993:137) independent variable are the “conditions or characteristics, which the experimenter manipulates or controls in an attempt to ascertain their relationship to observed data”. In this study, examples of the following among others were taken as the independent variables, bank location. Dependent variables are the conditions or characteristics that appear, disappear or change as the experimenter introduces, removes or changes independent variables.

Whether these variables have any effect on the banking relationships between the banks and their customers? Scores obtained from the self-appraisal questionnaire is the focus of chapter four.

The above position is in line with the observation by Wordy in Peter (1994:52) who defines research as comprising of “defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making deductions, reaching conclusions, and at last carefully testing conclusions to determine whether they fit the formulated hypotheses”. The foregoing observation notes the activities that are involved in research work, which seeks to define and redefine problems in light of emerging trends in a given field.

3.2 **The Target Population**: 

Borg and Gall (1989) define the target population as all members of a real or hypothetical set of people, events or objects to which a researcher wishes to generalize the results of the study. The target population was commercial banks in Pune and Nairobi with their customers.
3.3 Sample and Sampling Technique:
Peter (1994:69) defines a sample as a representative part of a population. Thus by studying the sample, we can know about that population. However, Peter (1994:69) further notes that human population by its very nature is highly heterogeneous complex body of men, women and children of varied ages, psychological temperaments, religious preferences, educational levels and socio-economic standards.
Thus, no sample of a human population, regardless of its quantity or quality can help us to make a one hundred per cent accurate conclusion about that population in the same way, as a small sip of a glass of milk would do (Kerlinger, 1973:119). In this case, we operate on a ‘near–accurate’ basis that is, choosing a sample, which can give near-accurate results about the population.
This study used stratified sampling method. The essence of such stratification was to obtain the number and type of bank to consider in the study. After stratifying the population according to the stated variables, the required representative sample was obtained.

3.4 Research Instruments/ Tools:
Research instruments are the means by which primary data is collected (Peter, 1994:77). The survey used Self-Appraisal Report, which contained questions for obtaining primary data from respondents (refer annexure I and II). This study used both primary and secondary data. Secondary data included summaries of research findings from theses, journals, textbooks on administration and management, human resource management and development, company reports, and reports from government agencies.
Two Self-Appraisal Reports for the banks and customers were used to obtain primary data in this study related to relationship management in the banking system and their impact in Pune and Nairobi banks. Management personnel perceptions regarding relationship management in the banking sectors were obtained by use of a questionnaire with open-ended and closed questions.
The designed questionnaire was divided into general, marketing, relational, communication, products and technology. The questionnaire items were derived from reviewed literature on those areas, which scholars agree to be of prime importance in banks relational management. Different feedback information from bank managers and customers was obtained using rating scales of 1-5, 1-7 and open ended questions too.

3.5 **Instrument Reliability:**
Mulasa (1988:113-114) states that an instrument is “reliable” when it can produce the expected results. Instrument reliability is the level of internal consistency or stability of a measuring device. According to Vernon (1974:37), the reliability of a behavior measure is an index of the degree to which an instrument consistently measures the same attribute and it is related to the precision of a measuring instrument. The study established face and content validity (meant to ensure that all the major issues raised in the study objectives are addressed in the research instruments)
To establish the instruments’ reliability, a pilot study was conducted. Six banks were chosen from wherefrom six management personnel were chosen and asked to indicate questions that they found difficult to understand, repetitive or ambiguous. A number of items were changed as a result of the recommendations made by respondents.
. Data collected from the pilot study were not included in the final data analysis process.

3.6 **Data Collection Procedures:**
Researches of all types essentially deal with generating, collecting, collating and analyzing data and drawing inferences from them (Peter, 1994:63). This study used both primary and secondary data. Primary data refers to information obtained from the field from companies’ using a questionnaire for responses. After the approval of the research proposal by Research and Recognition Committee of University of
Pune, the researcher applied for a research Visa from the Government of India Embassy in Kenya. The researcher reported to the Foreigners registration Office Pune for prior Extension of Residential Permit, a prerequisite for carrying out research in the study area. Since it would have been very expensive to call each bank involved to seek for an appointment, the researcher visited individual banks and sought audience if it was practically possible. If it was not possible by the time of the visit, an alternative date was arranged. In other cases, questionnaires were left in companies for filling and they were picked at an appointed time with the banking authorities. In some of the banks, the respondents filled the questionnaire in the presence of the researcher, which provided an opportunity to probe for clarifications regarding relationship management. Sometimes an opportunity to observe many aspects of the banks in its natural setting was possible when research obtained an appointment. In case of any delay in questionnaire completion, telephone calls were made to persuade respondents to complete the questionnaires. In a number of the cases where it proved difficult to obtain the questionnaires such banks were left out of the study.

### 3.7 Data Analysis Techniques (procedures):

In examining the use of qualitative data in a study, the data was structured in terms of themes, patterns and interrelationships; and de-textualising the data by converting extended texts into more manageable forms such as summaries, charts, diagrams and illustrations.

The qualitative data in this study was analyzed thematically through discussion, comparing possible relationships or significant differences between various variables as well as substantiating the possible causes of some research findings. The substantiation process involved search of possible reasons for the research findings. In other words, each finding had to be accounted for in terms of how relational management programs had an impact on the banking industry.
Analysis of the questions was performed using a Statistical Package for Social Sciences (SPSS Version 9.5) frequency tables, percentages, group means and case summaries were obtained.

By use of frequencies and percentages, scores were obtained on various issues studied. By use of Yes and No the study established existence of some programs like customer relationship management CRM. Through open-ended questions, it was possible to get a list of the actual topics covered in such programs. By use of the group means, it was possible to establish whether any differences within or between means are due to chance or whether they represent differences within samples.

To determine whether any differences existed between banks with relationship program and those who lacked such features, T-test and Chi-square methods were used. The 0.05 level of significance was used. The level of significance used for rejection of hypothesis and adoption of the alternative was 0.05. It’s is assumed that those banks which practiced relationship management would ideally be better placed than banks lacking such features. Data from open-ended questions were analyzed by use of descriptive method and critical analysis and synthesis of such data.

To determine relationship management services practiced by banks, information obtained from banks and self-appraisal questionnaires were examined. Percentages were computed on the task areas. Thematic discussion was used to delve into each of the study objectives. Likewise, percentages were used to indicate the relationship responses on different service and management functional areas. From such information, research questions were answered by examining all the available data and other research findings, which is the focus of chapter 4.