CHAPTER 4: RESEARCH METHODOLOGY

4.1 Research Methodology

Search for knowledge through objective and systematic method of finding solution to a problem is Research. Research comprises defining and redefining problems, formulating hypotheses, collecting, organizing and evaluating data, making deductions and reaching conclusions and at last carefully testing the conclusions to determine whether they fit the formulating hypotheses.

A broad definition of research is given by Martyn Shuttleworth- “Research includes any gathering of data, information and facts for the advancement of knowledge.”

The advance Learner’s Dictionary English lays down the meaning of research as, “A careful investigation or inquiry especially through search for new facts in any branch of knowledge. ”Research is conducted to gain familiarity or to achieve new insights and also to portray accurately the characteristics of particular individual, situation, or group. It helps to determine the frequency with which something occurs and with which it is associated with something else.

Research objective is also to test a hypothesis of a casual relationship between variables. The main objective of research is to find out the truth which is hidden and which has not been discovered yet or it is a purpose to discover answers to questions through the application of scientific procedures (Kothari C.R., 2005). The primary purposes of basic research are documentation, discovery, interpretation and also the research & development of methods and systems for the advancement of human knowledge.

Research plays a very important role in the field of applied economics, whether related to business or to economy. Research provides the basis of nearly all governmental policies in our economic system. Research has its
special significance in solving various operational and planning problems of business and industry. Operations research and market research are considered crucial in taking business decisions. Operation research refers to application of mathematical, logical and analytical techniques to the solution of business problems of cost minimization or profit maximization. Market research is the investigation of structure and the development of market for the purpose of formulating efficient policies for purchasing, production and sales. Research is equally important for social scientists in studying social relationship and in seeking answers to various problems.

A good design should ensure the validity of the research and yield consistent results. Research methodology on the other hand, is a way to systematically solve the research problem. It considers research methods to be used in the study and also consider logic behind the methods in context of the research study and also explain why the study is using a particular method so that research results are capable of being evaluated either by researcher himself.

According to Business Dictionary “Research Methodology is the process used for the collection of information and data for the purpose of making business decisions”. Dissertation blog defines “Methodology is a phenomenon which is used to give a clear cut idea on what the researcher is carrying out in his or her research. In order to plan in a right point of time and to advance the research work, Methodology makes the right platform to the researcher in mapping out the research work in relevance for making solid plans”.

**Steps involved in Research Methodology**

1) **Defining the Research Problem**- It is a well known phrase ‘Well defined problem is half solved’. In order to define the Research Problem, almost three categories of situations should always be discussed and taken care, These are namely: Overt difficulties, Latent difficulties and Unnoticed Opportunities.
a) Overt difficulties are those which are quite apparent and which manifest themselves.

b) Latent difficulties are those which are not so apparent and if not checked would soon become evident.

c) Unnoticed Opportunities indicate the potential for growth in a certain area of marketing.

A complete marketing problem must specify Unit of Analysis, Characteristics of Interest and Environmental Conditions. After defining the problem, Introduction related to the topic of the research should be discussed, which involves background and purpose of the research and also significantly justifies the importance of the study. The Introduction should create the framework of the thesis to move forward.

In the present research work, the research problem is taken considering all the aspects and is formulated as **THE IMPACT OF HRM PRACTICES ON EMPLOYEE RETENTION IN SELECTED PRIVATE SECTOR BANKS.** In the first chapter of present Research work, Introduction related to topic is written that includes introduction of Employee Retention and HRM Practices. The likert scale was discussed in Employee Retention and HRM Practices were taken in the study namely Human Resource Planning, Induction, Training and Development, Performance Appraisal, Career Planning, Fringe Benefits, Reward and Recognition, Welfare Activities, Suggestion Schemes, Promotions and Transfers, Exit Policy. All the HRM Practices were discussed in detail in the chapter of Introduction. The research problem is defined for the fulfillment of few objectives.

2) **Review of Literature-** The Literature review gave a clear background of the context and knowledge base related to pertinent concepts. Review of Literature is based on abstracting and indexing journals, conference proceedings, government reports, books etc. The relevant literature for the study on which analysis and conclusion is based are discussed in the chapter.
In the present research work, the reviews related to Employee Retention were discussed with the help of research papers. Also, combinations of different HRM Practices were discussed in different private banks with various variables. In the third section of literature review, HRM practices with Employee Retention were discussed together. Also, the reviews related to Banking sector were mentioned.

**Steps involved in Research Methodology**

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**Figure- 4.1**

3) **Formulation of Hypothesis:** After extensive literature survey, researcher should state in clear terms the working hypothesis or hypotheses. A hypothesis is an "educated guess" or a hunch about possible relationships or differences. The hypothesis or research question guides the selection of appropriate research method, data collection techniques, data analysis techniques and so forth. Hence hypothesis is tentative assumption made in order to draw out and test the logical consequences. Hypothesis should be
designed very specifically and should be kept limited to the piece of research in hand. It sharpens the thinking and focuses attention on the important facets of the research. Hypotheses also affect the manner in which tests must be conducted for the analysis of the data. Hypotheses are of two types: Null Hypotheses and Alternate Hypotheses.

- **Null Hypotheses**: Null Hypotheses states that there is no relationship between two measured phenomenons. It is denoted by $H_0$.

- **Alternate Hypotheses**: It states that there is positive and significant relationship between two measured variables. It is denoted by $H_1$.

Hypotheses designed in the present research were constructed with the help of guide, discussion from colleagues, ideas were also taken from the literature reviews, experts and professionals. In the present study, two Null Hypotheses and Three Alternate Hypotheses were designed and tested in the phase of data collection and data analysis. Hypotheses framed are discussed later in this chapter.

4) **Research Design**: Research design helps in detailing of procedures for conducting a particular study. It is a plan that specifies the sources and type of information relevant to the research problem. The details of data collection procedures and the schedule of analytical procedures to be used in order to accomplish the research objectives are also dealt with in research design. There are different types of research design:

- **Exploratory research**: It is mainly used to explore the insights of the general research problem. It is also used to find out the relevant variables to frame the theoretical model. The main purpose of the study is to formulate a problem for more precise investigation or for developing working hypotheses from an operational point of view. The major emphasis in these studies is on the discovery of ideas and insights. It should be flexible enough to provide opportunities for considering different aspects of a problem.
• **Descriptive research**: It is concerned with describing the characteristics of a particular individual or group. Diagnostic research determines the frequency with which something occurs or its association with something else. It involves the association of variables.

• **Experimental research**: In Experimental studies: the researcher tests the hypotheses of casual relationships between variables. Such study increases reliability and reduces biasness.

In the present research work, Descriptive research design is used.

5) **Data Collection**-Data in the research work is collected in two forms: Primary and Secondary data. Primary data is collected in the form of Observation, Questionnaire and Survey.

• **Observation**- In this method, data is collected through one’s observation, if the researcher is a keen observer only then he would be able to record the information accurately.

• **Survey**- Survey can be done basically in four ways: Personal survey, mail survey, telephonic survey and computer survey. Researcher has to exercise which method is suitable for the study.

• **Questionnaire**- It is a method in which questions are designed in a requisite method to collect the desired information from the sample. Questionnaire can be classified into four types: structured-non-disguised, structured-disguised, non-structured-non-disguised, and non-structured-disguised.

For collecting first hand information or Primary data, the information collector either asks someone who knows it in the form of survey, by distributing questionnaire or by observing or it can be a combination of all. Secondary data includes the collection of data from accounting records, reports, govt. publications and other private and international publications. This indicates that Secondary data is a data which is already collected by some other person and researcher is using the information for his own study.
In the present research work, survey was conducted by using structured questionnaire.

6) **Analysis of Data** - Before analyzing the data, Processing of data is done that includes Editing, Coding and Tabulating. Editing involves the examination of errors and making necessary changes if required. Coding involves classifying the categories in the data and allotting symbols to the classified categories. Tabulating involves counting the no. of responses belonging to each category.

Analysis means computation of certain measures along with searching of patterns of relationship that exist among the data groups. Analysis with one variable is called as One-dimensional Analysis, with two variables as Bivariate Analysis and more than two is Multivariate Analysis. Analysis involves drawing the results on the view point of the population and testing of hypotheses for drawing inferences. Various statistical tools like Descriptive Statistics, one way ANOVA, Pearson Product –Moment Correlation Method& Regression are applied for the analysis of data.

In the present research work, statistical software named as SPSS was used for applying statistical tools.

7) **Interpretation of Report** - When all the above mentioned steps are done then research report is prepared. An outline for report writing should be prepared before writing. But the outline should not be featured very rigid, it should be kept flexible so that if any time some change is required, that can be easily introduced. A good research report should fulfill objectives, there should be clarity of ideas and use of charts and diagrams should be done at all steps wherever necessary.

In the present research work, Employee Retention is taken as dependent variable and Human Resource Management Practices are taken as independent variable. Further, an effort has been made to identify the impact of HRM Practices on Employee Retention in selected private sector banks of Haryana.
Private sector banks are governed by different management imperatives, so HRM Practices may be different in different banks. Taken into consideration all the factors, the objectives of the study have been framed.

4.2 Research Design

Empirical and logical driven conclusion of research rests on an accurate research design. It provides the basic framework for research study. All researches involve the element of observation, description and the analysis of what happens under special circumstances. Research Design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Claire Selltiz, 1962).

It is a general plan of how you will go about answering your research questions. It will contain clear objectives, derived from your research questions, specify the sources from which you intend to collect data and consider the constraints as well as defining ethical issues (Saunders Mark, 2011). It constitutes the blueprint for the collection, measurement and analysis of data. Research design facilitates the smooth sailing of various research operations yielding maximum information. It stands for advance planning of methods to be adopted for the collection of the relevant data and techniques to be used in analysis, by keeping in view the objectives of the research. So, research design refers to overall strategy that is used to integrate the different components of the study in a coherent and logical way, thereby ensuring effective addressable of the research problem.

Research design used for the study should always be flexible, appropriate, efficient and economical. A good research design always maximizes the reliability of the data collected. In the Present study, Descriptive research design is used to find out level of Employee Retention and perception of HRM Practices and the relationship between HRM Practices and Employee Retention in Private Banks.
4.3 Sampling

Sampling is the process of obtaining information about entire population by examining only a part of it. Sample data should be taken in such a manner that it should enable to estimate the population parameters. It is better to select the sample rather than considering the population because it saves time and money (Kothari C.R., 2005). After considering sample, the organization of data is more manageable and results will also be available more quickly (Saunders Mark, 2011).

Sample frame

Selection of Sample: The present study is concentrated on the Banking Sector, in the research work, three leading banks from Private sector in Haryana are selected. Housing Development Finance Corporation (HDFC), AXIS Bank, Industrial Credit and Investment Corporation of India (ICICI) from Private sector are selected.

Population Frame: It will include employees of ICICI, HDFC & AXIS Bank.

Sample Area: The employees of different private sector banks in Haryana are the target population for this study.

Sample Unit: Managerial & non-Managerial staff

Sample Size: 400 employees from selected private sector banks in Haryana were taken. 35.25% of employees from HDFC Bank, 31.25% from AXIS Bank, 33.5% from ICICI Bank comprises of total sample. Total 600 questionnaires were distributed to bank employees but only 400 questionnaires were turned useful as few questionnaires were half filled or not filled and very less percentage of questionnaires was filled. Thus only, 66% questionnaires were turned useful.

4.4 Sources of Data

There are two sources of collecting data viz. Primary data and Secondary data.
Primary Data

Primary data is collected afresh and for the first time and thus happen to be original in character. It can be collected mainly through Observation, Interview, and Questionnaires etc. Primary data for the present study is collected through the standardized questionnaire of specific variable under study. The aim of collecting primary data shall be to study the HR practices of private sector banks and to measure their employee’s retention.

Secondary Data

Secondary data are those which have already been collected by someone else and which have already been passed through the statistical process and the researcher is using it again for his own studies. It includes both quantitative and qualitative data. Secondary data shall be collected from the publications and websites of private sector banks, Journals, Internet, Annual reports of banks, periodicals such as magazines, newspapers, and from subject related books etc.

In the present study, Survey method was used for the collection of Primary data. For this purpose, Structured Questionnaires were prepared.

Questionnaire: Employee Retention was taken as Dependent Variable and a Standardized Veldsman Employee Commitment Questionnaire introduced by Prof. Koos Kotze & Gert Roodt, University of Johannesburg in his studies was used in the present study. HRM Practices were taken as Independent Variable and a Standardized Questionnaire on HR Practices given by Dr. Aneet, University Business School, Punjab University Chandigarh was used to measure.

The Questionnaire was taken on five point Likert scale in which, scale is divided into Strongly Disagree, Disagree, Unsure, Strongly Agree and Agree. They were further codified as 1, 2, 3, 4, 5 at the time of data analysis. Employee Retention is taken as Dependent variable. Employee Retention was measured with dimensions: Organizational Climate, Job Satisfaction, Intention to Stay/leave, Employee well-being, Organizational Commitment. HRM Practices
namely Human resource planning, Recruitment, Selection, Induction, training & Development, Promotions & Transfers, Suggestion Schemes, Exit Policy were taken up for the study.

4.5 Validity and Reliability

Validity indicates the degree to which an instrument measures what it is supposed to measure. Validity is the degree to which differences found with a measuring instrument reflect true differences among those being tested. It is of three types:

- **Content Validity**- It provides adequate coverage of topic because when sample represents universe then content validity is good. It refers to the extent to which a measure represents all facets of given social construct (Pennington Donald, 2003). It can be determined through judgement and the panel members.

- **Criterion Validity**- It relates to the ability to estimate the existence of some current situation. It is a measure of how well one variable or set of variables predict an outcome based on information from other variables and will be achieved if a set of measures from a personality test relate to a behavioral criterion on which psychologist agree. (Pennington Donald, 2003)

- **Construct Validity**- It confirms predicted correlations with other theoretical propositions. It is most complex validity.

Reliability is checked if the measuring instrument provides consistent results. A reliable measuring instrument compulsorily needs not to be a valid instrument.

- In the present study, reliability of HR practices is checked with the help of Cronbach’s Alpha. The value of Cronbach’s alpha for perceived HRM Practices is .8350. As the value exceeds 0.60, it is thereby demonstrated that all the HRM Practices and Employee Retention are internally consistent and reliable.
• In the present research, the content validity and reliability of Employee Retention questionnaire is already been discussed and done by Koos Kotze and Gert Roodt which is as respectively i.e. organizational climate (0.959), job satisfaction (0.945), employer of choice (0.919), propensity to stay (0.940), employee well-being (0.918), organizational commitment (0.738). As the value exceeds 0.60, here also it is thereby demonstrated that all the measures of Employee Retention are internally consistent and reliable.

Analysis of Data: Data was analyzed with the help of SPSS Software package. For the analysis of data, mean test along with tukey test were applied and checked. Also, other tests like Analysis of Variance of multidimensional variables, Regression and Correlation were applied to meet the requirement of objectives.

Plan for Data Analysis

Collected data will be analyzed with the help of appropriate Statistical tools i.e. Mean, t-test, Multiple Regression, Correlation, ANOVA etc. The analysis of data will be done through SPSS package.

4.6 Organization of the Thesis

This thesis comprises six chapters. The sequence and structure of these chapters are as follows:

Chapter -1- Introduction: The Introduction chapter presents an understanding about the concept of employee retention and its variables and also describes the selected HR practices which are used for the study. In addition, this chapter also includes the objectives, hypotheses and delimitations of the study.

Chapter-2- Profile of selected private banks: This chapter includes the profile of ICICI, HDFC, AXIS Bank which are used for the present study and reasons for why only these three Banks.
Chapter-3- Review of Literature: Consists of literature review of existing knowledge. This chapter gives an overview of the literature available on organizational climate, job satisfaction, propensity to stay, employer of choice, employee well-being, organizational commitment and studies on various HR practices which affect employee retention.

Chapter-4- Methodology: This chapter provides an insight into the research design and approach adopted to conduct the research, sampling design, data collection, its methods and data analysis techniques applied during the research.

Chapter-5- Analysis of the Study: This chapter describes perceived retention level on the basis of various variables and also includes analysis of different HR practices in different selected banks. The analysis has been done on the basis of ANOVA, regression, independent t-test, HSD and Correlation. It contributes to completion of all objectives of the study. It also includes the summary of findings.

Chapter-6- Findings and Conclusion: This chapter discusses the overall findings of the study, including the implications for the target groups and directions for further research. It offers recommendations arising from the findings, indicate areas for future research and offers suggestions to private sector banks for how they can retain their employees effectively through applying human resource practices.