CHAPTER - III

OBJECTIVES OF THE STUDY, RESEARCH METHODOLOGY AND DESIGN
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If we can learn how to realise the potential for collaboration inherent in the human resources of industry, we will provide a model for Government and nations, which mankind surely needs

- Douglas McGregor (1960)

3.1 Objectives of the Study

The objectives of the study are as below :-

(a) Firstly, to study the appraisal practices in vogue for senior level managerial positions in industry in Coimbatore area, in that, the design, credibility and efficacy of the appraisal systems will be studied.

(b) Secondly, to find out the philosophy of the organisations with regard to their human resources and its linkage to performance appraisal systems being practised.

(c) Lastly, to design a new performance appraisal format for senior executives, if need be, taking into consideration the need and HRD requirements of such positions and suggest the same to the industry for adoption.
3.2 Methodology

As mentioned already, the study is limited to the senior level managerial positions and their performance appraisal systems practised in industries in Coimbatore area. In order to conduct this study in a systematic manner, the following procedures were adopted:

(a) Library Research and Review of Previous Studies
(b) Field Work
(c) Selection of Sample Units
(d) Collection of Data, and
(e) Application of suitable methodology

3.3 Library Research and Review of Previous Studies

In this part, the researcher undertook a preview of some of the previous studies on the subject, as well as, appraisal manuals and appraisal formats of some of the organisations and studied the available literature on human resources development and on performance appraisal systems. The studies reviewed were:

(a) Wg Cdr TR Sharma (1981) - 'Project Report on Review of Appraisal systems for Officers in the IAF'.
These studies focussed on the development oriented appraisal systems being followed in the defence, banking and industrial sectors. In addition, the appraisal manual of the following organisations were studied for understanding the subject:


(b) Managerial Appraisal System in M/s Voltas Ltd.

(c) Manual of Performance Appraisal system of M/s Larsen & Toubro Ltd.

(d) Manual on Performance Appraisal System for Executives of Rashtriya Ispat Nigam Ltd.
The above manuals helped in understanding the objectives and components of development oriented appraisal systems.

In addition, the appraisal forms of the managerial positions in respect of the following organisations were studied:

(a) Shriram Foods & Fertiliser Industries, Delhi.
(b) Bank of Ceylon, Sri Lanka.
(c) Indian Petrochemicals Corporation Ltd (IPCL), Varodara.
(d) Godrej & Boyce Manufacturing Co Ltd., Bombay.
(e) SRF Ltd., New Delhi.
(f) Gujarat Industrial Investment Corporation Ltd., Ahmedabad.
(g) Shriram Honda Power Equipment Ltd., Delhi.
(h) H L S India Ltd., Delhi.
(i) Shaw Wallace Co Ltd., Calcutta.
(j) Fertilisers & Chemicals Travancore Ltd (FACT), Cochin
(k) Hindustan Aeronautics Ltd., Bangalore
(l) Indian Airforce, New Delhi.
The above have helped in understanding the contents, structure and design of the managerial appraisal forms.

3.4 Field Work

Field work is an essential component of most research studies. The primary data for the present study was obtained through field work. Field work was done concurrently with Library Research in two stages here. The first one - a pilot survey was done to get a general idea of the appraisal systems being followed in Coimbatore based industries. This was done during the period 94-95, when the researcher in the capacity of Chief Instructor of Air Force Administrative College at Coimbatore accompanied the student officers on industrial visits in Coimbatore, as well as, while conducting lectures on performance appraisal in some of the industries and at South Indian Textile Research Association (SITRA) in Coimbatore. This initial survey helped to get an idea about the prevailing conditions and to define the problem.

The second survey which was a full fledged one and was done by selecting the data base and by collection of data through questionnaires, interviews/discussions and document study between 1995 and 1997.
3.5 Test Instruments

In order to conduct the field work successfully a number of test instruments were used. These are:

(a) Questionnaire for Senior Executives/Senior Managers.

(b) Interview Schedule with Personnel Managers.

(c) Schedule for discussions with the Chairmen/MDs/ Directors/Chief Executives of the companies.

(d) Check List for document study.

Detailed methodology of use of these test instruments are discussed in subsequent paragraphs:

(a) Questionnaires. A Questionnaire was distributed among the senior executives/senior managers of the industries. Before finalising the format and contents of the questionnaire, the same was pretested with a sample population consisting of executives and academicians for validity and completeness. The specimen of the Questionnaire sent to the executives along with the covering letter from the researcher is attached as Appendix 'C'. The Questionnaire was mainly to elicit the following information:
(i) Purposes served by a formal appraisal system as perceived by the executives.

(ii) Existence of performance appraisal system in their organisations.

(iii) Type, efficacy and credibility of the system, if any, in practice in their organisations.

(iv) Factors of assessment applicable for assessing senior managerial positions.

(v) Views of these executives on the development oriented appraisal systems.

(b) **Interview Schedule**

(i) **Interviews with Personnel/HR Managers.** In order to know more about the appraisal systems being followed, interviews with Personnel/HR Managers were resorted to by using a schedule. A specimen of the schedule is attached as Appendix 'D'. The interviews focussed on the existence or non-existence of appraisal system, type of system followed, purposes for which appraisal data are used, level of satisfaction achieved, problems/difficulties faced and existence/non-existence of evaluation of performance of top/senior level managerial positions.
(ii) **Discussions with Management.** In order to know more about the management philosophy on HRD and the general reaction to performance appraisal system, discussions with management viz the Chairmen / Chairmen-cum-Managing Directors / Managing Directors / Chief Executives of the organisations were resorted to using a schedule. A specimen of the schedule is attached as Appendix ‘E’. The discussions focussed on the awareness of linkage between Performance Appraisal and HRD, perception of the appraisal system being followed in their organisations, decision making based on appraisal data and the role of the MD/CMD/Chairman in the appraisal process of top / senior level managerial positions.

(c) **Document Study.** A check list was prepared to study the documents pertaining to performance appraisal and ascertain the format and procedure for assessing the performance of top level managerial positions, existence of performance planning, self appraisal, identification of training and development, potential appraisal, performance counselling, career development aspects and checks & balances in the system. A specimen of the check list is attached as Appendix ‘F’.

### 3.6 Selection of Sample Units

The study was conducted among the industries in and around Coimbatore. Coimbatore has a very large number of industries. These can be grouped into small scale industries, medium sized industries and large scale industries. Small
scale industries could not be considered as there is hardly any senior level managerial position in those industries. There are two large sized industries in Coimbatore which were included. Among the medium sized industries, most of the industries with a variety of manufacturing activities were included for study. Thus the sample size was kept as large as possible in order to represent the population. The industries taken up for the study comprise of textile mills, machine tool manufacturers, cement company, sugar industry and so on. The selected companies were approached by the researcher by a letter from the Guide and in person. A copy each of the letters from the Guide and from the researcher to the companies is placed at Appendix 'G' and 'H' respectively. The selected companies are as below :-

(a) Associated Cement Co Ltd., Madukkarai
(b) Bimetal Bearings Ltd., Coimbatore
(c) Coimbatore Pioneer Mills Ltd., Peelamedu
(d) Elgi Equipments Ltd., Coimbatore
(e) KSB Pumps Ltd, MSN Palayam
(f) Lakshmi Mills Co Ltd., Pappanaickenpalayam
(g) Lakshmi Machine Works Ltd., Perianaickenpalayam
(h) PSG Industrial Institute, Peelamedu
(i) Premier Mills Co Ltd., Peelamedu
(j) Premier Instruments & Controls Ltd.(PRICOL), Perianaickenpalayam
(k) Precot Mills Co Ltd and Super Spinning Mills Co Ltd., Coimbatore

(l) Rajshree Group Companies, Coimbatore
   (Rajshree Sugar & Chemicals Ltd., Ganga Textiles Ltd and Rajshree Textiles Ltd)

(m) Roots Group of Industries, Ganapathy

(n) Revathy CP Equipment Ltd., Malumichempatti

(o) South India Viscose Ltd., Coimbatore

(p) T Stanes Co Ltd., Coimbatore

(q) Sakthi Sugars Ltd., Coimbatore (including Sakthi Soyas Ltd)

(r) Shanthi Gears Ltd, Singanallur

(s) Textool Industries Ltd., Ganapathy

(t) Texmo Industries Ltd., Thudialur

Of the above, M/s Texmo Industries replied in writing stating that they do not have an appraisal system and they indicated that no useful purpose will be served in carrying out the study. M/s PSG Industrial Institute conveyed verbally that they also do not have any formal system of appraisal and also did not favour a study on the subject involving the executives in their organisation. Barring the above, the rest of the companies responded and gave their permission for the study by the researcher. On obtaining clearance, the researcher undertook the data collection.
3.7 Data Collection

(a) **Questionnaire Method.** Questionnaire method was a major input of data. The companies which responded for the study, supplied a list of senior level managerial positions numbering to 206 in their organisations. A questionnaire which was designed (as explained in para 3.5 earlier) was mailed/personally handed over to each of these executives. These questionnaires were to be returned to the researcher duly filled-in with or without the personal particulars and signatures of the respondents to ensure objective feedback.

(b) **Interview/Discussion Method.** Interviews were sought with the Personnel/HRD Managers, as well as, discussions with the Chairmen/Chairman cum Managing Director/Managing Directors/Chief Executives of these organisations. To facilitate the interviews/discussions on an organised line the help of schedules (as explained in para 3.5 earlier) were taken and relevant answers were recorded personally by the researcher.

(c) **Document Study.** The appraisal forms and relevant material on procedures in respect of these companies which had appraisal systems were collected and studied using the check list (as explained in para 3.5 earlier). The observations as a result of study were recorded personally by the researcher in the check lists.
3.8 Analysis of Data

The primary data collected through questionnaires and interviews/discussions were compiled on a compilation sheet and analysed for the type and percentage of response in terms of the objectives of the study. The data obtained through the check list (on document study) was compiled and analysed in comparison to the development oriented systems suggested in literature. The data so analysed has been arranged to bring out the following:

(a) To identify the Philosophy of Coimbatore based industries with regard to human resources.

(b) To bring into focus the types of performance appraisal currently practised and the existence of managerial performance appraisal system for senior level managerial positions in these industries.

(c) To describe the 'image or impressions' of the performance appraisal currently being operated.

(d) To highlight the need for development oriented appraisal system.

The findings as a result of analysis of data are given in Chapter V and based on the findings, the recommendations are given in Chapter VI. In the recommendations, the researcher has designed a new format for evaluating the performance of senior level managerial positions and suggested the same to the industry for adoption.