CHAPTER – II

RESEARCH METHODOLOGY
## CHAPTER II

**RESEARCH METHODOLOGY**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Nature of the problem</td>
<td>130</td>
</tr>
<tr>
<td>2.2 Hypothesis</td>
<td>133</td>
</tr>
<tr>
<td>2.3 Research design</td>
<td>133</td>
</tr>
<tr>
<td>2.4 Scope and duration of study</td>
<td>135</td>
</tr>
<tr>
<td>2.5 Sample</td>
<td>136</td>
</tr>
<tr>
<td>2.6 Data collection</td>
<td>140</td>
</tr>
<tr>
<td>2.6.1 Collection of primary data</td>
<td>140</td>
</tr>
<tr>
<td>2.6.2 Collection of secondary data</td>
<td>141</td>
</tr>
<tr>
<td>2.6.3 Actual primary data collection</td>
<td>142</td>
</tr>
<tr>
<td>2.6.4 Actual secondary data collection</td>
<td>143</td>
</tr>
<tr>
<td>2.7 Data analysis</td>
<td>143</td>
</tr>
<tr>
<td>2.8 Outline of the study</td>
<td>144</td>
</tr>
<tr>
<td>2.9 Difficulties faced by the researcher and limitations of the study</td>
<td>145</td>
</tr>
</tbody>
</table>
2.1 **Nature of the problem**

Today as a result of the policies of liberalisation, privatisation and globalisation the Indian economy has become an open economy. The world has come nearer. Naturally majority of the industries have become multinational. Banking industry is no exception to it. Many of the foreign banks have now entered in our country. These private banks have become popular in our country due to their quick and professional service.

The nationalised banks have been dominating the banking industry due to their Government support. Though they are run in a traditional manner, they are out of the danger of competition in the new environment. However most of the nationalised bank employees are complacent due to the utmost job security and business security that they have.

The co-operative banking sector is still to learn its lessons on competition from global players. Co-operative banks are taking it easy and not insisting on excellent performance from their employees. They are still in hybernation. Co-operative banks are similar to private banks as they are also private players, playing with commercial interest but working on the philosophy of co-operation. Employees in co-operative banks are aware of their profit making responsibilities but not as aware as the employees in the private banks. A de-motivated mindset of the employee is manifesting the working of the co-operative banks.

On such a background it was felt extremely necessary to study the motivational level of employees of the co-operative banks.
The present motivational level of different types of banks is as follows: -

1. Very high motivational level of private banks
2. Middle motivational level of co-operative banks
3. Lowest motivational level of nationalised banks.

It is said that private foreign banks provide services at the doorsteps of the customers and also they require very less documentation and have less time consuming procedures. The loan application processing requires two to three days on an average. The professional approach and the efficiency of private foreign banks is an indicator of the high motivational level of its employees. As against this, in co-operative banks there is need to complete lot of formalities of any loan agreement. It has been observed that the employees do their work very slowly and the professional approach is lacking. These employees are reluctant to use modern technologies.

One very consoling fact is that the co-operative bank customers have still the feeling of belongingness towards co-operative banks. These banks have a mental tie with middle-income group customers. Taking this vital point into consideration if their services are made more professional they can very well compete with the private foreign banks and nationalised banks.

Co-operative banks have to face the competition from private banks and in such case it is necessary to increase the motivational level of the employees of co-operative banks. If the employees are well motivated they can give excellent results. The factors, which motivate the employees and the correlation of these factors with each other, can be explained with the help of motivational models developed by different behavioural scientists over the years.
The management might be interested in making the bank organisation technology oriented but ultimately it is always in the hands of employees to use new technology skillfully. They can only bring prosperity and profit to the bank, by putting their heart and soul into the work. They will do so only when they are well motivated.

However the main challenge is about the motivation of the employees. If the new motivational techniques are introduced, the employees will be happy and will provide excellent results. If a proper dose of motivating factors is given to co-operative bank employees their performance can be improved.

The existing motivational theories like Maslow, Herzberg, McGregor Likert; Vroom etc. were adopted from foreign countries. These theories were not moulded properly to suit the requirements of Indian cultural and social environment. Therefore it was necessary to check the relevance of these theories in today’s context of liberalisation, privatisation and globalisation.

Different motivational theories exist at present attempting to analyse the behaviour of employees. However, most of the existing motivational theories were formed taking into consideration the manufacturing sector. The researcher thought it necessary to study the relevance of these theories in the light of growing banking service sector in general and co-operative banking sector in particular.

The researcher has made an attempt to co-relate the existing theories of motivation to the present scenario. The researcher wants to study whether the existing models of motivation are relevant in India and whether they are
relevant in co-operative banks. The researcher has attempted to explore the possibility of developing a motivational model especially for co-operative banks.

2.2 Hypothesis

1) The present motivational level of the urban co-operative bank employees is low.

2) The present motivational level of the urban co-operative bank employees can be improved if the bank management takes appropriate motivational steps.

3) The existing motivational theories have not lost their relevance but they need to be synthesised in the light of present circumstances.

2.3 Research design

This research was regarded as diagnostic research, which was concerned with describing the characteristics of a particular individual or group problem. It determined the frequency with which something occurred or its association with something else.

In any diagnostic research the following steps are observed:

1. Formulation of the objectives of study and formulating the hypothesis.
2. Designing the methods of data collection.
3. Selecting the sample.

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4. Collection of data.
5. Processing and analysing the data.
6. Reporting the findings.

Above steps were observed in doing this research. In the first step the problems in co-operative banks were located and the hypothesis was made out. In the second step the data collection methods were fixed. The primary data was collected by conducting a survey, taking personal interviews of experts, observations etc. The secondary data was collected from different libraries in Pune area.

Both primary as well as secondary sources of information were used for data collection.

Personal survey method was used to collect the primary data.

The survey included bank employees from selected co-operative banks in Pune region. It included selected branches of these banks. Selection of the banks was done on the basis of the authorised list published by Pune Nagari Sahakari Bank Association & the leading nine banks were planned to be chosen. One more bank named Pune District Central Co-operative Bank Limited was also taken into consideration while selecting the sample, which was not included in the list of co-operative banks.

The sample was designed on the basis of the official list of selected urban co-operative banks available with Pune Nagari Sahakari Association and questionnaires were collected from selected banks.
The duly filled questionnaires were studied and analysed with the help of diagrams and pie charts. The frequencies of answers to the questions were measured. The analysis was also based on personal interviews and general observations were made during the survey.

Finally the findings were reported and solutions were suggested to such findings.

This was a diagnostic type of research, which tried to diagnose the problems faced by urban co-operative banks, and sincere efforts were made to give solutions to the existing motivational problem.

2.4 Scope and duration of study
Pune region was selected for taking survey. Pune is developing very fast. The industrial belt around Pune is also expanding likewise. Different cooperative banks in Pune are making their presence felt on national horizon. That is why Pune region was found to be the most appropriate area for such a study. According to Pune Nagari Sahakari Bank Association’s records during 1998-99, there were forty-nine co-operative banks in Pune district and forty-three co-operative banks in Pune city and in vicinity areas during 1998-99.

The study covered the period from 1st July 1999 to 31st December 2003 for the purpose of primary data collection regarding co-operative banks and their employees in Pune region. During this period all the interviews were conducted, the questionnaires were distributed in different banks and actual data collection was made simultaneously. Special interviews of different branch managers were taken and issues were also discussed with different management experts, trade union leaders, present as well as past bank
employees working at different levels in co-operative banks and academicians. Selected bank branches were personally visited by the researcher to make observations regarding the employee behavior.

The secondary data collection was started from 1st July 1999 from different libraries and continued till the end of research work.

2.5 Sample
Sampling is defined as, the selection of some part, out of the total on the basis of which, some adjustment or inference about the aggregate or the total can be drawn. In other words, it is the process of obtaining information about an entire population, by examining only a part of it. In sampling, it is necessary to select only a few items from the universe for the study purposes. The items so selected constitute as a sample. This selection process is called as sample design and the survey conducted on the basis of sample is described as sample survey. It is expected that sample should be representative of the population. Sample is used to save time and energy.

It tries to estimate errors and assist in obtaining information about some characteristics of populations.

Probability / random sample is one of the widely used types of sample in social science surveys. In such a type of sampling every item of the universe has an equal chance of being included in the sample. It is like a lottery, in which individual units are picked up from the whole group by some mechanical process.

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Random sampling from a finite population refers to that method of sample selection, which gives each possible sample combination, an equal probability of being picked up and also states in affirmation that, each item in the entire population has an equal chance of being included in the sample. This applies to sampling without replacement i.e. once an item is selected for the sample, it cannot appear in the sample again.

In brief the implications of random sampling are-

1. It gives each and every element in the population, an equal probability of getting into the sample and all the choices are independent of one another.

2. It gives each possible sample combination an equal probability of being picked.

In obtaining a random sample, the name of each element of a finite population is written on a slip of paper, then the slips are put in a box and are mixed with each other and then the required number of slips are taken out one after the other, without replacement, for drawing the sample size. This procedure results in the same probability for each possible sample.

In a finite population, it is easy to find out a random sample because when the lists are available items are readily numbered. But some times for example in estimating the mean height of trees in a forest, it would not be possible to number the trees and choose them in random numbers, to select a random sample.
In such a situation some trees have to be selected for the sample haphazardly, without aim or purpose and should treat the sample as a random sample for study purpose.

For the present study, the branches of the urban co-operative banks and the employees working in these branches were selected at random.

The urban co-operative banks operating in Pune District in the year 1998-99 were taken to be the total population. In all forty-nine urban co-operative banks were functioning in Pune District during the year 1998-99, according to the list published by Pune Nagari Sahakari Association. Out of forty-nine banks ultimately nine banks were chosen for the purpose of the study.

One more specialised bank named Pune District Central Co-operative Bank Ltd. was also taken into consideration while selecting sample, which was not included in the list of co-operative banks. It is an apex bank of all co-operative banks and in addition to the ordinary customers, other co-operative banks are also the customers of this bank. Therefore it was thought to be appropriate to include the apex bank in the sample.

In all ten banks were included in the survey. The original plan was to take first six banks included in the list, published by Pune Nagari Sahakari Banks Association in the year 1998-99. The criteria used for selection were maximum number of employees and awarded audit ‘A’ class.

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The first six banks selected were –

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Name of the bank</th>
<th>No. of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rupee Co-operative Bank Limited</td>
<td>1206</td>
</tr>
<tr>
<td>2</td>
<td>Janata Sahakari Bank Limited</td>
<td>1218</td>
</tr>
<tr>
<td>3</td>
<td>Cosmos Co-operative Bank Limited</td>
<td>1136</td>
</tr>
<tr>
<td>4</td>
<td>The Suvama Sahakari Bank Limited</td>
<td>290</td>
</tr>
<tr>
<td>5</td>
<td>Bhagini Nivedita Sahakari Bank Limited</td>
<td>267</td>
</tr>
<tr>
<td>6</td>
<td>Janseva Sahakari Bank Limited</td>
<td>229</td>
</tr>
</tbody>
</table>

These banks were selected earlier for the survey but because of certain difficulties, this set of banks had to be revised.

Due to certain environmental factors, data could not be available from Janata Sahakari Bank Ltd., and Janseva Sahakari Bank Limited. So the researcher collected the data from such banks that allowed the researcher to do so.

Finally the following banks allowed the researcher to collect the data from their employees.

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Name of the bank</th>
<th>No. of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rupee Co-operative Bank Limited</td>
<td>1206</td>
</tr>
<tr>
<td>2</td>
<td>Cosmos Co-operative Bank Limited</td>
<td>1136</td>
</tr>
<tr>
<td>3</td>
<td>The Suvama Sahakari Bank Limited</td>
<td>290</td>
</tr>
<tr>
<td>4</td>
<td>Bhagini Nivedita Sahakari Bank Limited</td>
<td>267</td>
</tr>
<tr>
<td>5</td>
<td>Mahesh Sahakari Bank Limited</td>
<td>226</td>
</tr>
<tr>
<td>6</td>
<td>Rajarshi Shahu Sahakari Bank Limited</td>
<td>79</td>
</tr>
<tr>
<td>7</td>
<td>Pune District Central Co-operative Bank Limited</td>
<td>1627</td>
</tr>
</tbody>
</table>

Table 2.1 Names of the selected banks and total number employees
2.6 **Data collection**

The task of data collection begins after the research problem has been defined. There are two types of data

- Primary data and
- Secondary data

Primary data is collected afresh and for the first time and is original in nature while on the other hand the secondary data is already collected by someone else and has already been passed through the statistical process.

2.6.1 **Collection of primary data**

During the course of conducting a survey the primary data was collected through direct communication with respondents by getting the questionnaires filled and through personal interviews.

The questionnaires were distributed in following banks:

<table>
<thead>
<tr>
<th>No</th>
<th>Name of banks</th>
<th>No of employees</th>
<th>Questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Shree Suvarna Sahakari Bank Ltd.</td>
<td>290</td>
<td>190</td>
</tr>
<tr>
<td>2.</td>
<td>Cosmos Co-operative Bank Ltd.</td>
<td>1136</td>
<td>215</td>
</tr>
<tr>
<td>3.</td>
<td>Janata Sahakari Bank Ltd.</td>
<td>1218</td>
<td>150</td>
</tr>
<tr>
<td>4.</td>
<td>Rupee Co-operative Bank Ltd.</td>
<td>1206</td>
<td>150</td>
</tr>
<tr>
<td>5.</td>
<td>Bhagini Nivedita Sahakari Bank Ltd.</td>
<td>267</td>
<td>85</td>
</tr>
<tr>
<td>6.</td>
<td>Vishweshwar Sahakari Bank Ltd.</td>
<td>129</td>
<td>30</td>
</tr>
<tr>
<td>7.</td>
<td>Janseva Sahakari Bank Ltd.</td>
<td>259</td>
<td>30</td>
</tr>
<tr>
<td>8.</td>
<td>Mahesh Sahakari Bank Ltd.</td>
<td>226</td>
<td>50</td>
</tr>
<tr>
<td>9.</td>
<td>Rajarshi Shahu Sahakari Bank Ltd.</td>
<td>79</td>
<td>30</td>
</tr>
<tr>
<td>10.</td>
<td>Pune District Central Co-operative Bank Ltd.</td>
<td>1627</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>6437</strong></td>
<td><strong>950</strong></td>
</tr>
</tbody>
</table>

*Table 2.2 Names of the banks and total questionnaires distributed*
Following are different methods of data collection-

Primary Data Collection

1. Interview method.
2. Observation method.
3. Through schedules.
4. Through questionnaire.

2.6.2 Collection of secondary data

Secondary data means the data that is already available i.e. the data, which have already been collected and analysed by someone else. The researcher utilised the secondary data, through various sources from where she could obtain them.

Secondary data is already published data, which is available in:

1. Books, magazines, newspapers and periodicals.
2. Public records and statistics
3. Technical and trade journals.
4. Various publications of the central state and local governments.
   Public records and statistics.
5. Reports and publications of various associations connected with business, industry, banks, etc. for e.g. Maratha Chamber of Commerce and Industries, National Institute of Personnel Management and various bank associations

The researcher saw to it that the data were suitable to the query and they were adequate.
2.6.3 *Actual primary data collection*

The questionnaires were distributed in following manner in the following banks: -

1. **Shri Suvarna Sahakari Bank Limited**
   
   a. Karve Road Branch 22 questionnaires
   b. Deccan Gymkhana Branch 40 questionnaires
   c. Head Office 122 questionnaires
   
   **Total** 190 questionnaires

2. **Cosmos Co-operative Bank Limited.** -
   
   a. Vanaz Branch 20 questionnaires
   b. Ganesh Nagar Branch 30 questionnaires
   c. Kothrud Branch 65 questionnaires
   d. Laxmi Road Branch 100 questionnaires
   
   **Total** 215 questionnaires

3. **Janata Sahakari Bank Limited.**
   
   a. Karve Road Branch 30 questionnaires
   b. Warje Branch 20 questionnaires
   c. Bajirao Road Branch 100 questionnaires
   
   **Total** 150 questionnaires

4. **Rupee Co-operative Bank Limited.** - Total 150 questionnaires were distributed in head office.
5. Bhagini Nivedita Sahakari Bank Limited
   a. Head Office Branch 55 questionnaires
   b. Karvenagar Branch 30 questionnaires
   **Total** 85 questionnaires

6. Through Bank Karmachari Sangh following banks were tapped.
   a. Vishweshwar Sahakari Bank Ltd 30 questionnaires
   b. Janseva Sahakari Bank Ltd 30 questionnaires
   c. Mahesh Sahakari Bank Ltd 50 questionnaires
   d. Rajarshi Shahu Sahakari Bank Ltd 30 questionnaires
   e. Pune District Central Co-op. Bank Ltd. 20 questionnaires
   **Total** 160 questionnaires

2.6.4 *Actual secondary data collection*

The researcher visited different libraries of various institutes in Pune like Vaikunth Mehta National Institute of Co-operative Management, The British Library, Institute of Management and Career Courses, Garware College of Commerce and Sinhgad Institute of Management, which helped the researcher to collect the secondary data. Certain websites were also browsed for the collection of the secondary data which are mentioned in the bibliography.

2.7 *Data analysis*

As far as objective questions from the questionnaire were concerned, the positive and negative responses were counted.
The sum total of positive responses and negative responses was made. The number was compared with each other and on the basis of majority the inference was drawn.

As far as subjective / descriptive questions from the questionnaire were concerned the repetitive answers were found out, its frequency was checked and then on the basis of frequency of answers the inference was drawn.

In data analysis the diagrams were used and percentages were also used to find out the frequency and draw the inference.

Special interviews were taken for drawing conclusions. The experts, union leaders, branch managers etc. were tapped and were asked questions relating to the topic of this research work and their opinions were recorded to draw inferences.

2.8 Outline of the study

The research work has been divided into eight chapters.

Chapter One is regarding the over view of the study. It contains the basic concept of motivation, its importance, the importance of banking, importance of co-operative banking, history of co-operative banks and current scene on motivation.

Chapter Two contains the research methodology, i.e. details about how the field survey was made, how the questionnaires were distributed, how the sample was selected and data analysis of the sample.
Chapter Three contains the information regarding the human resource management of co-operative banks. It contains details about recruitment, selection, performance appraisal, promotion, transfer, wage and salary administration, grievances handling, motivation and management generally found in co-operative banks.

Chapter Four contains the details about the survey conducted, the nature of sampling and detailed analysis of the factors that affected the motivation.

Chapter Five contains the special interviews of experts in the field of banking. This chapter contains expert opinions from different persons regarding different aspects of motivational policy.

Chapter Six contains the problems of employers, problems of employees and problems of account holders. This chapter indicates where the real problem lies or what are the views of each and every party in this regard.

Chapter Seven deals with the trade union's role in motivation, its history and reasons of becoming member of any trade union. It also contains the wage agreement procedure in this regard.

Chapter Eight includes final testing of hypothesis. It presents the conclusions drawn and the recommendations made by the researcher for solving the motivational problems of urban co-operative banks.

2.9 Difficulties faced by the researcher and limitations of the study
The study was limited to only urban co-operative banks within Pune region. Covering the entire population from the Pune region within the given time limit was beyond the capacity of the researcher. It would have involved
extensive traveling which was not possible due to financial constraints of an individual researcher. Therefore the study had to be based on bank employees using sampling technique with the sample size of two hundred sixty seven employees.

The top managements of the selected urban co-operative banks did not extend the sufficient cooperation in giving information. The reason for such reluctant approach may be that at the time when the research was conducted, some irregularities in some of the selected co-operative banks were exposed and came into limelight. Bad press publicity resulted in the disbelief showed by the people from the society, the atmosphere was disturbed and that was why the top management was not ready to give any information.

The bank employees developed fear psychosis in their minds and that was why they did not give any information in writing. They were afraid about losing their jobs. It seems that all the employees were feeling insecure and afraid of the wills and whims of top management. Therefore they did not give proper information and hesitated to fill the questionnaires properly and fully.

Initially the lower level employees did not understand the concept of motivation, so they could not form proper judgment and could not fill up the questionnaires because of lack of knowledge. The researcher had to spend lot of time and energy in explaining to them the basic concept and the purpose of this research. Some of the top managements denied the researcher an opportunity to speak to their employees and the researcher had to approach them through the Bank Karmachari Sangh. Some bank employees, due to their fear psychosis refused to give the details of the
branch where they worked but let out their discontent during their personal interviews.

However, the researcher made sincere efforts to collect the information in spite of these hindrances.