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."

Research is being 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 causal 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 relationships and in seeking answers to various social problems.

A good design should ensure the validity of the research and yields consistent results.

**Research methodology** on the other hand, is a way to systematically solve the research problem. It consider 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”.

According to Dissertation blog “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**

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Define Research Problem

Review the Literature

Formulate Hypothesis

Research Design

Collect Data

Analyze Data

Interpret Report
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Figure- 4.1

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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 **ORGANIZATIONAL COMMITMENT AND HUMAN RESOURCE MANAGEMENT PRACTICES IN INDIAN BANKING SECTOR (A Comparative Study)**. In the first chapter of present Research work, Introduction related to topic is written that includes introduction of Organizational Commitment and HRM Practices. The scale of Meyer and Allen, 1990 was discussed in Organizational Commitment and five HRM Practices were taken in the study namely Recruitment and Selection, Training and Development, Compensation, Promotion and Transfer, Welfare Schemes. All the five HRM Practices were discussed in detail in the chapter of Introduction. The research problem is defined for the fulfillment of few objectives. These objectives are discussed later in this chapter.

2) **Review of the 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 Organizational Commitment were discussed with the help of research papers. Also, combinations of different HRM Practices were discussed in different sectors with various variables. In the third section of literature review, HRM practices with Organizational Commitment were discussed together. Also, the reviews related to Banking sector were mentioned.

3) **Formulation of Hypothesis:** It is tentative assumption made in order to draw and test the logical consequences of assumptions. Hypothesis should be designed very specifically and should be kept limited to a piece of research in hand. It sharpens the thinking of the researcher 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 phenomenon’s. 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 and experts and professionals. In the present study, 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 specifying the methods and procedures for conducting a particular study. It is a plan that specifies the sources and types of information relevant to the research problem. There are different types of research design:

- **Exploratory research:** It is termed as Formulative Research study. 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 and Diagnostic research- Descriptive research is those which are 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 causal 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.

   a) **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. This method of data collection is applied mostly on infants and animals.

   b) **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 his study.

   c) **Questionnaire**- It is also a communication 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, 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 Unidimensional 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 Correlation, Regression, Chi Square test, t-test, f-test etc. 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**, Organizational Commitment is taken as dependent variable and Human Resource Management Practices is taken as independent variable. Further, an effort has been made to identify the impact of selected HRM Practices on Organizational Commitment of the employees. Also, it is a comparative study between Public and Private sector Banks as both the banks are governed by
different management imperatives, so HRM Practices may be different in both the sectors. Taken into consideration all the factors, the following objectives have been framed:

4.2 OBJECTIVES OF THE STUDY

1. To study Organizational Commitment of Officers in selected Public and Private Banks of India.

2. To study the perception of Officers regarding HRM Practices in selected Public and Private Banks of India.

3. To find out the relationship between perceived HRM Practices and Organizational Commitment of Officers in selected Public and Private Banks of India.

4. To compare the Organizational Commitment of Officers in selected Public and Private Banks of India.

5. To compare perceived HRM Practices in selected Public and Private Banks of India.

6. To identify the deficiencies in perceived HRM Practices of selected Public and Private Banks of India.

7. To generate base line information that will contribute to the field of Human Resource Development in selected Public and Private Banks of India.

4.3 HYPOTHESES

It is a tentative assumption made in order to draw and test its logical consequences. In the study, hypotheses testing is done in the analysis of data and also it helps in determining the quality of data. Hypotheses act as a proposition to be verified.

In the present study, a set of hypotheses has been generated to study and evaluate the impact of HRM Practices on Organizational Commitment. These hypotheses are tested by application of appropriate statistical tools to derive meaningful and relevant recommendations. Following Alternate hypotheses are considered in the study:

H1. There is positive relation between Organizational Commitment and perceived HRM Practices in selected Public and Private Banks of India.
H2. Organizational Commitment of Officers is likely to differ in selected Public and Private Banks of India.

H3. Perceived HRM Practices are likely to differ in selected Public and Private Banks of India.

4.4 RESEARCH DESIGN

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 Blue print for the collection, measurement and analysis of data. Research design facilitates the smooth sailing of various research operations yielding maximal 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 addressal 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 the relationship between Organizational Commitment and HRM Practices of Officers in Banks.

4.5 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).

**Selection of Sample:** The present study is concentrated on the Banking Sector. In the research work, three leading banks each from Public and Private sector in India are selected. These are State Bank of India (SBI), Punjab National Bank (PNB), Central Bank of India (CBI) from Public sector and AXIS, Industrial Credit and Investment Corporation of India (ICICI), Housing Development Finance Corporation (HDFC) Bank from Private sector.

**Sample area** for the research study was Haryana, Chandigarh and Delhi.

Four divisions of Haryana were covered i.e. Ambala Division, Gurgaon Division, Hisar Division, Rohtak Division

**Sample unit:** It was selected from Scale I to Scale V level Officers proportionately.

For **Public sector** banks the scale is represented in the following manner

- Scale 1 as Officers
- Scale 2 as Managers
- Scale 3 as Senior Managers
- Scale 4 as Chief Manager
- Scale 5 as Assistant General Manager

For **Private sector** bank the scale is represented in the following manner:

- Scale 1 as Junior officers
- Scale 2 as Loan Managers/ Credit Managers/ Treasury Manager
- Scale 3 as Branch Manager
- Scale 4 as Sr. Branch Manager/ Regional Manager
- Scale 5 as Cluster Manager/ Zonal Manager

**Sample Size:** 400 Officers (200 from Public and 200 from Private Banks) were taken.

Nearly 600 questionnaires were distributed to officers (300 each from Public and Private sector bank) but only 400 questionnaires were turned useful as few questionnaires were half filled or very less percentage of entire questionnaires was filled. Thus, only 66% questionnaires were turned useful.
4.6 SOURCES OF DATA

There are two sources of collecting data viz. Primary data and Secondary 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, Questionnaires etc.

Secondary Data- They 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.

In the present study, Survey was conducted for the collection of Primary data. For this purpose, Structured Questionnaires were prepared. Questionnaire falls under the category of structured-non-disguised.

**Questionnaires**: Questionnaire was framed and started with the information related to Demographic profiles like Age, Qualification, Experience, Gender, Level, Marital Status etc. Then it was divided into two parts: Part-I includes the questions related to HRM Practices and Part-II includes the questions related to Organizational Commitment.

Perceived HRM Practices is taken as Independent variable and a Structured Questionnaire was designed to measure them. The Questionnaire of HRM Practices was taken on five point Likert scale in which, scale is divided into Strongly Disagree, Disagree, Undecided, Agree and Strongly Agree. They were further symbolized as 1,2,3,4,5 at the time of data analysis. The questions related to five HRM Practices namely Recruitment and Selection, Training, Compensation, Promotion and Transfer, Welfare activities were asked in a systematic and orderly manner. HRM Practice related to Welfare activities was further divided into Safety and Health, Suggestion scheme and Exit Policy.

Organizational Commitment is taken as Dependent Variable and is measured through Meyer and Allen Scale introduced in 1990. The scale is a standardized scale. It measures Organizational Commitment in terms of three dimensions namely Affective Commitment, Continuance Commitment and Normative Commitment. Likert scale was taken and it was divided into five dimensions of Strongly Disagree, Disagree,
Undecided, Agree and Strongly Agree. They were further symbolized as 1, 2, 3, 4, 5 at the time of data analysis. Taking into consideration three components of the scale, thirty statements were constructed in the questionnaire.

**Statements in Organizational Commitment**

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Measures</th>
<th>Statement Number</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Affective Commitment</td>
<td>: 1 to 8</td>
</tr>
<tr>
<td>2.</td>
<td>Normative Commitment</td>
<td>: 9 to 22</td>
</tr>
<tr>
<td>3.</td>
<td>Continuance Commitment</td>
<td>: 23 to 30</td>
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</table>

Table- 4.1

Secondary data was collected through Journals, Magazines, HR Manuals of the banks, Intranet, Newspapers etc.

**4.7 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:

a) **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 judgment and the panel members.

b) **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)

c) **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 is checked with the help of Cronbach’s Alpha. The value of Cronbach’s alpha for Organizational Commitment is 0.78 and
for Perceived HRM Practices is 0.72. As the value exceeds 0.60, it is thereby demonstrated that all the factors of Organizational Commitment and HRM Practices are internally consistent and reliable.

- In the present research, Content Validity is used. To test the Content Validity of HRM Practices discussion from guide, experts and professionals was done. The Validity of Organizational Commitment is already been discussed by Meyer and Allen.

**Analysis of Data:** Data was analyzed with the help of SPSS Software package. For the analysis of data, Mean test along with skewness and kurtosis were applied and checked. Also, other tests like Analysis of Variance of multidimensional variables and Chi Square tests were applied to meet the requirement of objectives.

**4.8 JUSTIFICATION OF THE STUDY**

Banking sector of India plays a very important role in the growth of Indian Economy. It is one of the six core industries in India. It is financially stable sector as it can easily cop up to the shocks of Economic crises. Entry of Private Banks along with Public banks revitalized the Banking sector of India. In this present research work SBI, PNB, CBI from Public Banks and AXIS, ICICI, HDFC Bank from Private Banks are taken, as these are the leading and big players of this sector. These banks are networking their branches in India as well as overseas and deal in various business segments. Public Banks contributes about 73% and Private Banks contribute to nearly 20% to the total industrial assets. Banking sector is a Service Sector where the services to the customers are delivered by Human beings. So, Human Resources are not merely an asset but the real capital of Banks, because it is very difficult for the organizations to retain employees in this competitive environment. These big Banks work with strong Vision and Mission and can be achieved only when Employees are satisfied with HRM Practices implemented in an Organization. If organization fulfills the expectations of Human Resources, then they can perform in a better way and develop a strong bond with their organization, which ultimately increases the Organizational commitment of their Employees. Employees play a crucial role in developing good Organizational culture. Committed Employees contribute to the organization with their innovative mind, dedication, creativity, enthusiasm and brings sense of fairness
and trust in the organization and generates a positive psychological contract with their employers. Highly committed Employees perform better and increase the overall Performance of Organization.

In the present research work, HRM Practices have been studied thoroughly and compared in both Public and Private sector Banks and also their impact on Organizational Commitment of officers was discussed. As Management imperatives differ by Banks, so both the types of Banks may follow different HRM Practices and their impact on Commitment may vary. So, the study tried to analyze the HRM Practices being followed in the selected banks and deficiencies if occur, so that Banks may design more effective HRM Practices for their officers that can help in increasing their organizational commitment and overall Performance of Banks to sustain in hypercompetitive market.

Also from literature review, it can be easily justified that different sectors were explored independently on HRM Practices or Organizational Commitment but very rare studies have been found in Banking Sector with comparative analysis by taking both the variables.

So the present study, analyzed the relationship between Organizational Commitment and Human Resource Management Practices in Indian Banking Sector as a Comparative study.