CHAPTER -3
Research Methodology

3.1 Introduction:

The current chapter discusses about the Methodological approach for the study. It comprises the research objectives, hypothesis of the study, research design, sampling technique, data collection methods, tools used for data analysis, scope and limitations of the study.

3.2 Statement of the problem:

Today every major business is aiming to operate its business at global level, which necessitates managing their talented employees who lead the business in global competitive market. In this context, every business organisations are trying to engage their talent employees and at the same time, improve performance and retention of their key employees. Industries in India are not an exception to this, where it is found that the investment particularly in the manufacturing sector has increased to great extent and hence the demand for talent is at high rate. Most organizations require highly skilled workforce at all levels of operations. But there seems to be a huge gap between the demand and supply of talented people in today’s labour market. Though Indian workforce possessing technical knowledge is more in number, their employability is not up to the mark. Manufacturing companies in India face a formidable challenge of recruiting and retaining talents (Lavanya Latha, 2013).

With regard to service sectors in India, the current situation is that this sector is dominating and has overtaken both agriculture and manufacturing sector. It is found that more than 50% of GDP is contributed by service sector alone. Hence the service sector seems to be least volatile and has witnessed highest growth rate. However, the major problem faced by service sector is retention of their talent. Employee retention is one of the big challenges to the organizations. In order to attain corporate goals organizations have to retain their key employees. Thus, issues relating these have been drawing the attention, like - fair HR practices, employee turnover, motivational efforts to retain their talents, employees retention strategies, etc.
Attrition rate is very high in service sector when compared to other sectors especially in BPO and Banking and Financial sectors. The manufacturing sector is not an exception to this problem. In fact the problem is severe in manufacturing sector because of the fact that the generation Y is not ready and willing to work in these sectors messing themselves with grease and physical strain.

The problem of today’s business world, irrespective whether it is manufacturing or service sector face high attrition rate and the challenging issue of Talent Management is Attracting and Retaining their talents by adopting an appropriate Talent Management Strategies. In an emerging economy, both manufacturing and service sectors are confronted with the problem of managing and developing their potential workforce. The talent pools in the nation are becoming shallower. Shortage of skilled workforce, having high expectations with hike in pay and benefits are the major constraints of company’s ability to operate and expand.

Every organisation across the world are experiencing an imbalance between requirements and availability of skilled employees and thus, hiring talented people is not an easy task. Many research studies reveal that a challenging issue of talent management is acquiring and retaining talents. However, the reason for the attrition in manufacturing sector and service sector may vary and the strategies adopted to retain their talents may not be the same in both these sectors. It is hence against this background this study was undertaken to fill the missing knowledge gap by comparing manufacturing and service sectors with regard to talent management issues.

3.3 Research Objectives:

The aim of the current study is to explore talent management issues in manufacturing and service sector with special reference to factors that influence employee turnover in different sectors and the strategies employed to acquire the talent and retain them. The findings from this study will contribute to some extent to address the gap in the literature.

The following objectives have been framed for the research work.

1. To examine the factors that influences the talent management strategies of service and manufacturing sector to retain their key employees.
2. To determine the importance of demographic factors and its influence towards the employee skills at service and manufacturing sector.

3. To examine the relationship of talent management practices with respect to Career Development Programmes, Work-Life Balance and Employee Engagement in service and manufacturing sectors.

4. To identify the reasons for employee attrition in manufacturing and service sector.

5. To examine the influence of talent management practices on promotion of productivity, recruitment, retention and commitment.

After identifying the objectives of the study, the empirical study was conducted to explore the Talent Management strategies adopted in various sectors (Manufacturing and service) and find out how successful they were in retaining their potential employees. The study also aimed to identify the main reasons for attrition. Based on the facts and figures collected, the study aims at comparison between Manufacturing and service sectors to explore the factors influencing attrition in these sectors and also to identify the measures taken to reduce its attrition rate and retention strategies adopted to retain its talents.

The objective of the study is also to ascertain the skills required by these sectors and match with the supply of personnel with the required skills. Based on the analysis of above objectives, the study also aims at making suggestions to adopt appropriate strategies to retain their talents.

3.4 Research Questions:

- To attain to the objectives set, questions were clustered around key headings for participants (HR managers/ Line managers/ High Potentials).
- Talent Loss Risk
- Talent Management practices adopted by the organization
- Retention Strategies adopted
- Reasons for attrition

The research questions are as follows-

- To what extent the various skills in short supply affects manufacturing and service sectors in Bengaluru?
What are the talent management practices adopted and to what extent by manufacturing and service sectors in Bengaluru?

To what extent the Career Programs arranged affect the retention of employees in manufacturing and service sectors in Bengaluru?

Is there a relationship between work life balance and attrition in manufacturing and service sectors in Bengaluru?

How does employee engagement affect the retention of employees in manufacturing and service sectors in Bengaluru?

Does Talent Management Strategies adopted by manufacturing and service sectors are effective in retaining their talents?

It is examined in various studies conducted on Talent Management at both Manufacturing and service sectors have been undertaken at the managerial level and the experiences of employees involved in Talent Management activities are paid less attention. Therefore, it is felt that experiences of both management and employees through in-depth multiple case studies is essential to explore actual facts and figures. Thus, the present study draws on interviews with top management, middle level management, coachers and mentors and all those employees who are involved in Talent Management activities.

The main focus of the study was to examine how an organisation can leverage the existing competencies of potential employees through Talent Management practices in these sectors.

3.5 Hypothesis of the study:

For the purpose of studying the Talent Management Practices of Manufacturing and Service Sectors, the following null hypotheses have been framed.

- There is no significant relationship between selected independent variables like age, designation and length of service in the organization and dependent variable talent management strategies.
- There is no significant relationship between selected independent variables like age, designation and length of service in the organization and dependent variable skills of employees.
• There is no significant difference between the selected independent variables like designation, age, name of the organization, nature of the business and selected dependent variables like career development programmes, work-life balance and employee engagement in manufacturing and service sectors.
• There is no significant difference between selected independent variables and dependent variable employee attrition.
• There is no positive relationship between selected variables and the latent variable ‘Talent Management Strategies’.

3.6 Research Design

A research design includes the process and methods used to carry out scientific research. The design defines the type of study, research question, hypothesis, independent and dependent variables, experimental design, and data collection methods and a statistical analysis plan. Kerlinger defines Research Design as a plan, structure and strategy of study conceived in order to get answers to research questions and also to control variance. It is the specification of techniques and processes for obtaining the information required (Green and Tull). This research study is a descriptive research in which data is collected describing about the events. Later, the collected data is organized, tabulated and describes the data so collected.

In order to depict the present situations, descriptive research is adopted and the data is collected in order to test the hypothesis or to answer questions pertaining to the subject matter of the study (Mugenda & Mugenda, 2003). The descriptive research is considered to be appropriate for current study, as the existing situation at the time of the study can be described and to explore the causes of particular phenomena (Travers, 1978).

This research study adopted survey method research, where questions administered through interviews and questionnaires. The questions were designed in such a way it consist of partly open-ended, closed ended and Likert rating scale questions.

3.7 Sample Selection:

The current study sought to establish the effectiveness of Talent Management Practices across Manufacturing and Service sectors in Bengaluru. Organisations in
Bengaluru are also experiencing high employee turnover and short supply of talents with requisite skills like any other organisations across the world. As such, the interest in the study was driven to find out the reasons for attrition and the retention strategies adopted to attract and retain talents in Manufacturing and Service sectors of Bengaluru. During the research period, the organisations that are practicing Talent Management in both Manufacturing and Service sectors were identified and based on this survey, the researcher decided to compile a list of Manufacturing and Service Sector of Bengaluru for the study which are obtained from the directory of CII and India.com (yellow pages). From this directory the researcher had chosen 200 Manufacturing sectors and 200 service sector was included for the study where the respondents at least have five years of experience in the field.

Simple Random Sampling technique was employed to select the sample respondents from 200 Manufacturing and 200 from Service sectors. The respondents for the study among manufacturing sector comprised 50 from Automobile Industry, 50 from Engineering (Hydraulic), 50 from Textile and 50 from Chemical Industry. And among 200 Service sectors, 50 from IT, 50 from BPO sector, 50 from Hospital sector and 50 from Finance and Banking sector was considered for the study. The respondents from each of these sectors comprise of Human Resource Manager, CEO, General Manager or Proprietors who have sufficient knowledge of Talent Management Practices of their organisations.

3.8 Data Collection Method:
This present study used two types of data: the primary and the secondary data. The primary data was collected by issuing Questionnaire directly to the respondents who are working in Manufacturing and Service Sector.

The three parameters namely – Career Development, Work – Life Balance and Employee Engagement have been focused in the Questionnaire to identify its impact on retention of talent employees. The Questionnaire also covers the aspects of reasons for attrition in manufacturing and service sector and the retention tools used by organisations to reduce attrition level.

Visits to Manufacturing and Service sector, personal observation and discussions with the employees and interview with HR managers and others who are involved in talent
management activities have also helped to understand the impact of Talent Management Practices.

The secondary data on the other hand, were derived from the findings stated in published documents (journal articles, internet newspaper articles and magazines) and literatures related to the research problem.

3.9 Approach to assess the extent of effect of Talent Management Practices:

The difference in the extent of opinion of Manufacturing and Service sector employees between the different types of respondents based on their Designation, Age, Gender and Experience was studied by means of Percentages, Mean Score, Range, Standard Deviation, Two-way tables, Chi-squared test, and Factor Analysis (Principle Component Analysis). Further Cross tabulation Technique also used to make comparison between manufacturing and service sector with regard to talent management practices.

3.10 Period of the study:

The period of data collection began from May 2013 and extended up to November 2016. At first pilot study was conducted between May 2013 to February 2014 in 150 organisations – 80 from manufacturing sector and 70 from service sector. The collection of data for the final study commenced from March 2014 to November 2016 which took almost 2.5years. The reason for the long duration of collection of data was that some of the respondents were not ready to provide information in the first visit itself. In such cases frequent visits and continuous communication over phone reminding and requesting for appointments took a long period in the process of data collection.

3.11 Data Validity and Reliability:

The reliability test helps in ascertaining the extent to which measurements scale or test is dependable or consistence. A pilot study was conducted to enhance reliability of the instruments used in the current study, by distributing 80 questionnaires to manufacturing sector and 70 questionnaires to service sector. This is accounted by 37% of sample size. The pilot study helped in the revision of the Questionnaire.
Validity test was conducted to ascertain the real meaning of the empirical results under consideration. In this study, face validity and Construct validity tests were conducted. The face validity was established with the help of few people considering HR experts and academicians to review the questionnaire. On the other hand, Construct validity was established by means of factor analysis as presented in chapter four. The Cronbach’s Alpha has been used in the present study to measure the internal consistency among research items.

3.12 Data Analysis:

Data was analysed using Statistical Package of Social Science (SPSS). To test the hypotheses and answer the research questions, Descriptive and inferential statistics were used. Descriptive statistics was used to describe the profile of respondents and inferential statistics in the form of Pearson Product Moment Correlation and ANOVA test was used to determine the relationship between independent variables and successful talent management in manufacturing and service sectors in Bengaluru.

The first objective namely to examine the factors that influence the talent management strategies of Service and manufacturing sector to retain their key employees has been accomplished by using Descriptive Statistics and Correlation Analysis.

The second objective to determine the importance of demographic factors and its influence towards the employee skills at service and manufacturing sector have been analysed using Descriptive Statistics and Correlation Analysis.

The third objective to examine the relationship between talent management practices with respect to Career Development Programmes, Work-Life Balance and Employee Engagement in service and manufacturing and Service sectors have been analysed using Descriptive Statistics, Correlation Analysis, Percentage Analysis and ANOVA test.

The fourth objective, namely, to identify the reasons for employee attrition in manufacturing and service sector has been analyzed using the ANOVA test.
Factor analysis and Multiple regression have been applied to examine how talent management practices helps in providing a coherent framework for management to increase productivity, and improve recruitment, retention and commitment.

3.13 Scoring Method
The scores for rating have been assigned as five for ‘strongly agree’, four for ‘agree’, three for ‘neutral’, two for ‘disagree’ and one for ‘strongly disagree’. For each ranking a score was given, i.e., 5 for the ‘highest rank’ and 1 for the ‘lowest rank’. The overall score has been calculated based on the rating and ranking of variables with a maximum score of five for each variable answered.

The total of the individual score has been taken as the total scores for the impact of talent management practices and also for the future analysis. Higher score has indicated higher opinion on IT company employees on the impact of Talent Management Practices.

3.14 Scope of the study:
The study was carried out in manufacturing and service sectors in Bengaluru as employee retention and Talent Management is a pertinent issue in these sectors today. The study focused on Talent Management and employee retention and used the following factors to evaluate the effect of Talent Management in both manufacturing and service sectors in Bengaluru with respect to employee engagement, career development and work life balance issues.

In Manufacturing sector, Industries like Automobiles, Textiles, Chemical, Engineering works were considered for the study. In Service sector, IT, BPO, Banking and Financial Services and Hospitals come under the scope for the study. In each of these industries 50 samples were considered. A sample of 400 manufacturing and service sectors were considered for the study. The study addressed the HR managers, CEOs, middle level and line managers, supervisors and employees.

3.15 Limitations of the study:
The study conducted had exposed to number of limitations. As it was a cross sectional survey the data so collected with regard to reasons for attrition is pertaining to the
current situation and it may not be the same over a period of time. And the data given by the respondents are based on their perception and not their action.

At an initial stage, getting responses from the respondents was a difficult task, but this was abated by having constant follow-up by physical visit and on phone contacting the respondents personally. The study also experienced incomplete responses as some of the respondents failed to respond to few items in the questionnaire. However, tried to get the information through verbal response for unanswered Questions and filled the blank spaces. Few respondents were unwilling to provide information in writing, and hence such respondents were interviewed and collected required information orally. And also some of the respondents took long time to respond and thereby data collection period was extended for some more time as per the planned schedule and had to continuously follow up either physically or over phone to collect the data.

The study was also limited because it was based on manufacturing and service sectors in Bengaluru only and again it does not extend to all types of industries in these sectors. Thus the findings of the study pertaining to Talent Management problems and practices are limited only to those organizations that come under scope of the research work.