Chapter 7: Research methodology

Klein (1999:32) explains that in order to manage an organisation's reputation, it is necessary to measure it first. In order to understand and measure the corporate brand, image and reputation of an organisation, it is believed that the use of a scientifically based research process is of the utmost importance to obtain credible results from questioning techniques, ensuring that the resultant data are both reliable and valid.

7.1   Research design

This study has been documented as a case study. The organisation that was used for the purpose of this study is based within the information communication technology (IT) industry. For purposes of confidentiality, the organisation will be referred to as The Group.

The study has been based on data collected from The Group's stakeholders during August 2002. The research focused on the current reputation of this IT organisation as perceived and experienced by the various stakeholder groups, namely The Group's employees, The Group's executive board, clients, non-clients, financial analysts, trade and business media, partners and suppliers, public relations houses and the general public.

7.2   Case study perspective

To understand case study methodology, one needs to take note that May (1984:3), Easton (1992:1) and Hussey and Hussey (1997:65) all describe a case study as an extensive examination of a single instance of a phenomenon of interest and an example of phenomenological methodology. It is an account of problem situations and events in a real or imagined organisation. A case study approach implies a single unit of analysis, such as a company or a group of employees, an event, a process or even an individual. It involves

gathering detailed information about the unit of analysis, often over a long period, with a view to obtaining in-depth knowledge.

There is not only one type of case study, according to Hussey and Hussey (1997:65), but five different types, namely:

- **Exploratory case study**

    An exploratory case study means that there are few theories or a deficient body of knowledge.

- **Descriptive case study**

    Descriptive case studies are undertaken where the objective is restricted to describing the current practice.

- **Illustrative case study**

    Research attempts to illustrate new and possibly innovative practices adopted by particular companies through illustrative case studies.

- **Experimental case study**

    An experimental case study is undertaken where the researcher examines the difficulties in implementing new procedures and techniques in an organisation and evaluating the benefits.

- **Explanatory case study**

   The existing theory is used to understand and explain what is happening.

The case study documented for the purposes of this research paper can be described as explanatory i.e. the existing theory is used to understand and explain what is happening.

Yin in Hussey and Hussey (1997:66) identifies the following characteristics of case study research: the research aims not only to explore certain phenomena, but to understand them in a particular context, and it uses multiple methods for collecting data, which may be both qualitative and quantitative.

7.3   Research strategy

Wilson (2003:17) comments that one way to begin measuring an organisation's reputation is to conduct a stakeholder analysis. This exercise is designed to understand and track stakeholders' attitudes towards an organisation. It uses qualitative and quantitative data to produce an aggregate picture of where an organisation's reputation stands, as well as providing insight into the priorities and perspectives within stakeholder groups.

The following approach was used for this study to ensure that the results were both reliable and valid. The research model consisted of four major phases. These phases have been illustrated in Figure 10 below.
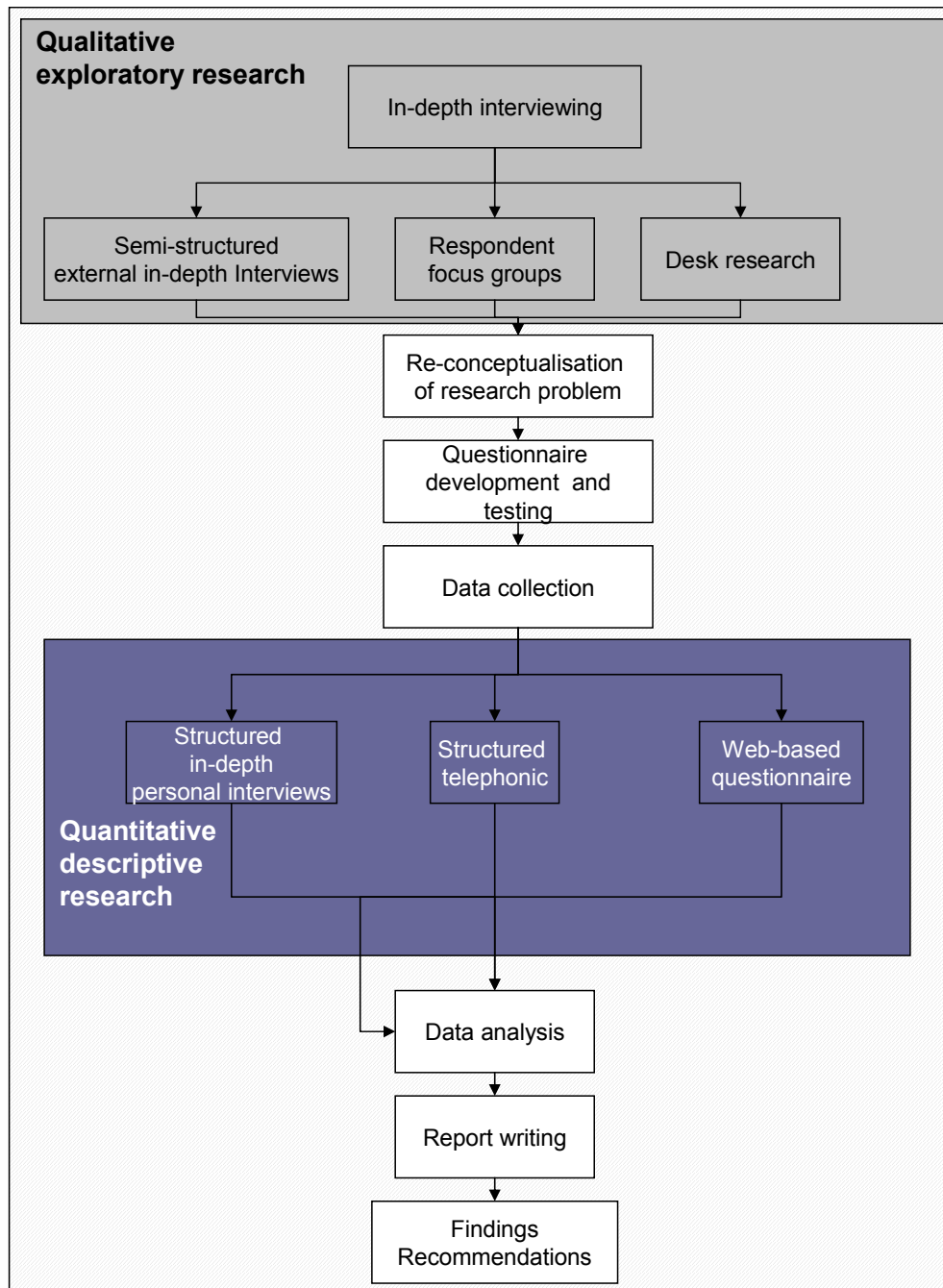
Figure 10 Research methodology process

Figure 10 above gives an overview of the research process used for the purposes of this study. The process was divided into four phases, namely:

- Phase 1: Qualitative exploratory research

- Phase 2: Problem re-conceptualisation and questionnaire development

- Phase 3: Sampling and quantitative data collection

- Phase 4: Analysis reporting

7.4   Phase 1: Qualitative exploratory research

The purpose of this phase was to collect qualitative inputs in the form of focus groups and qualitative interviews to determine what the elements are that have a significant influence on corporate reputation. The secondary research in this phase was used to identify any historic published reports that provided opinions and inputs to establish The Group's corporate reputation. All the information collected in this phase was subject to content analysis then used as input into the next phase, which was the questionnaire development phase. These elements were examined both within and outside The Group and excavated the underlying attributes of investment decision-making and employee orientation towards The Group.

This phase consisted of 14 in-depth qualitative interviews. A total of four qualitative focus groups, each consisting of ten respondents, were conducted. Two of these focus groups consisted of The Group's employees and the other two comprised general public (LSM 9 and LSM 10) respondents. Once all the qualitative information had been obtained from this first phase, a generic quantitative questionnaire was developed for all the stakeholders of The Group to be used in the quantitative data collection phase. The questionnaire contained 39 different elements, which had been identified in the exploratory qualitative and quantitative phase as influencing corporate reputation. The stakeholders who were included in the study were The Group's employees, The Group's executive board, clients, non-clients, financial analysts, trade and business media, partners and suppliers, public relations houses and the general public.

7.5 Phase 2: Problem re-conceptualisation and questionnaire development

All the information collected in Phase 1 was collated, conceptualised and then crystallised into research questions in order to compile a quantitative questionnaire.

A multi-item uni-dimensional scale exploring the non-financial performance issues in connection with investment decisions that relate to corporate reputation, which arose from the qualitative phase of the study, was included in the questionnaire.

The questionnaire was then pilot-tested for reliability and validity to ensure that the instrument (the questionnaire) provided an accurate picture of what the various stakeholder groups were saying. The reliability of the questionnaire according to Cronbach Alpha was 0.9515. (The ideal score for Cronbach Alpha is 1.00). The average inter-item correlation was 0.45445 (the ideal score being above 0.4).

7.6 Phase 3: Sampling design and data collection

7.6.1 Sampling design

Testa (2002:264) states that the groups of stakeholders selected for assessment are dependent on a number of variables including the goal of the assessment, as well as the number, accessibility and types of stakeholders. The essential issue in selection is finding those stakeholders who are best able to assess the leadership of the organisation on the dimensions of interest. Random selection is ideal for employees and clients so that no bias exists in the sample; however, suppliers and partners are in much shorter supply. Selection may therefore be better based on the importance and impact of the feedback. Following the 80/20 rule which suggests that small percentages of causes create disproportionate levels of consequences, those external stakeholders who contribute most to the organisation's success are preferable. Ideally, every stakeholder would be included

in the assessment, but this may be impractical. In such cases, those partners who are most connected to the organisation and generate most revenue or the largest market share should be included. Suppliers who maintain long-term contracts with the organisation or who are the primary sources of vital supplies are best suited for inclusion.

The following table indicates the sample respondents realised for this study:

Respondents	Qualitative in-depth interviews	Qualitative focus groups	Telephonic interviews	Intranet-based interviews
The Group's employees	-	2 (2x10)	-	133
The Group's executive board	5	-	-	-
Clients and non-clients	4	-	38	-
Financial analysts	1	-	15	-
Media (business and trade)	2		9	-
Partners and suppliers	-	-	8	
PR houses	2	-	6	-
Public (LSM 9 and LSM 10)	-	2 (2x10)	20	-
Others (Competitors)			2	
TOTAL	**14**	**40**	**98**	**133**

Table 1 Sample respondents realised for this study

The stakeholders included in this study were The Group's employees, The Group's executive board, clients, non-clients, financial analysts, trade and business media, partners and suppliers, public relations houses and the general public. These stakeholders are indicated in Table 1. Each will be briefly described below to allow for the data that have been collected to be put into context.

- **The Group's employees**

  An Intranet-based questionnaire was sent out to a randomly selected sample of employees of The Group. All the business units within the organisation were included.

- **The Group's executive board**

  Personal interviews were conducted with the executive management of The Group. This part of the study consisted of five personal face-to-face interviews.

- **The Group's clients**

  Personal and telephonic interviews were conducted with The Group's clients.

- **Non-clients**

  Personal and telephonic interviews were conducted with non-clients. The purpose of interviewing non-clients was to determine what their perception was of the organisation, which would allow The Group to understand how best to approach this group in the future.

- **Financial analysts**

  This group was interviewed telephonically. The financial analysts comprised respondents from FTNIB, Credit Source Trust Boston, JP Morgan, Barnard Jacobs Mellett, Investec, HSBC, Ford Asset Management, African Harvest, Sanlam Investment Management, Coris Capital, Prudential, SCMB, Equitos and Metropolitan.

- **Suppliers and partners**

The suppliers and partners included in this study were interviewed telephonically.

- **Media**

This study included both trade media and business media. Trade media focus extensively on industry-specific, technical and product-related articles, whereas business media focus more on the financial aspects of an organisation and general business practice. More articles are published in trade media as opposed to business media, as these media only have limited space for articles and only place articles that will help sell the specific publication. The media respondents comprised representatives of Beeld, Computerweek, Moneyweb, Jacaranda FM, Financial Mail, Finance Week, Technews Trading, Engineering News and IT Web. These respondents were interviewed telephonically.

- **PR houses**

Some of the PR houses approached for this study were Profile Management, Arcay Financial Communications, Communications Consultants, Cyan Communications, Southgro Investor Relations and Trilogy Communications. Approximately 50 different organisations were approached, of which only the organisations mentioned above were familiar with The Group and able to complete the questionnaire.

A separate questionnaire was then developed to determine what the general awareness of IT organisations in South Africa is.

- **Public**

  This group of respondents comprised LSM 9 and LSM 10 classification, which means that the respondents were required to be above the age of 35, have a matric (Grade 12) qualification or higher, be urbanised and earn between R9 000 and R13 000 per month as a minimum personal income. A database of managers and directors of large South African organisations was used to target the appropriate people. The interviews were conducted telephonically.

  It needs to be noted that a limited number of interviews were conducted with the public stakeholder group, as most of the interviewees were not familiar with The Group. A separate questionnaire was then developed to determine the public's general awareness of IT organisations in South Africa.

- **Competitors**

  Two personal interviews were conducted with competitors of The Group.

7.6.2 Data collection

Intranet-based questionnaires were used for The Group's employees in order to keep the data collection costs to a minimum, while speeding up the data collection time without sacrificing data quality. This collection method was restricted to employees of The Group.

The external stakeholders were interviewed telephonically against a standard set of attributes for the quantitative phase as mentioned above.

7.6.3 Qualitative research methods

A total number of four focus groups, each consisting of approximately 10 respondents, were conducted in order to obtain background to the study. The first group comprised The Group's employees and the second The Group's management. The two other focus groups each consisted of members of the general public LSM 9 and LSM 10. These sessions took place on a weekly basis from 10 July 2002 to 31 July 2002. Qualitative in-depth interviews were also conducted with communication and reputation specialists. Institutions such as Moneyweb and IT Web were interviewed to determine the current perception of The Group in the market. Davies *et al.* (2001:117) state that respondents are typically asked to imagine that a brand 'comes to life' and to state what its characteristics should be. This enables the researcher to understand the associations of a particular brand. This personification technique was used during the focus groups. The information obtained from these sessions was used to formulate the questionnaire. Please see Appendix A for the discussion guides used during these sessions.

7.6.4 Quantitative research methods

After all the focus groups and in-depth interviews were conducted, the quantitative questionnaire was formulated. An Intranet-based questionnaire in Excel format was sent to a randomly selected sample of employees within The Group amounting to over 1 000 respondents. A total of 133 responses were returned. The poor response could be attributable to respondents' scepticism towards questionnaires and lack of implementation of results. A total of 98 telephonic interviews were conducted with various stakeholder and interest groups of The Group. Please refer to Appendix B for the quantitative questionnaire.

The questionnaire was divided into two major sections. The first section focused on the internal and external channels of communication of The Group so as to determine the flow of communication between stakeholder groups. The purpose of this was to determine

which of the stakeholder groups had the greatest impact on corporate reputation in terms of disseminating information about the organisation and secondly the elements influencing an organisation's reputation were evaluated.

7.7   Phase 4: Data analysis

Before the analysis of the data could commence, the reliability of the questionnaire according to Cronbach Alpha was tested. The result was 0.9515. The closer the score is to 0.9 the higher the reliability of the questionnaire. According to economics.about.com (2003) Cronbach Alpha assesses the reliability of a rating summarising a group of survey answers that measure some underlying factor. A score is computed from each test item and the overall rating, called a 'scale', is defined by the sum of these scores over all the test items. Reliability is defined as the square of the correlation between the measured scale and the underlying factor the scale was supposed to measure.

After reliability and validity had been tested, descriptive analysis of the data set that had been used to describe the opinions across the established set of attributes within the different stakeholder groups took place. This was followed by an analysis encompassing the development of recommendations to provide guidance to the different executives in The Group to manage the issues that had been raised in this survey.

The purpose of this study is to provide input into the executive management's decision-making process and provide an essential guide for corporate communications and The Group's sales and marketing initiatives to influence corporate reputation positively.

Extensive use was made of Excel to capture and analyse the data. A gap analysis in terms of SERVQUAL was used to analyse the data.

Parasuraman *et al*. in Newman (2001:128) describe service quality as perceived by the client as the degree and direction of discrepancy between client service perceptions and

expectations. It is this gap between perceptions and expectations that underpins the formulation of SERVQUAL.

The measurement of perceptions of service lie across five service quality dimensions as identified by Parasuraman et al (in Robinson, 1999:21), namely tangibles, reliability, responsiveness, assurance and empathy. The instrument consists of two sets of 22 statements. The first set aims to determine a client's expectations of a service organisation, while the second set seeks to ascertain the client's perceptions of the organisation's performance. Respondents are asked to rate their expectations and perceptions of the various elements contributing to service quality. The gap between expectations and performance perceptions (perceived service quality) is measured by the difference between the two scores (performance minus expectations).

The service quality for each respondent for each dimension is calculated as follows:

$$SQ_j = \frac{\sum_{i=1}^{n_j} P_{ij} - E_{ij}}{n_j}$$

Figure 11 Equation for SERVQUAL

The formula illustrated above can be interpreted as follows:

SQj – Service quality of dimension j

Eij – Expectations of the organisation for item i in dimension j

Pij – Perceived performance of the organisation on item i in dimension j

nj – Number of items in dimension j

An average score for each dimension is then calculated across all respondents. Positive scores show better than expected service while negative scores show poor quality. A zero

score implies that quality is satisfactory. Robinson (1999:21) acknowledges that SERVQUAL continues to be one of the most widely recognised methods of measuring service quality. For the purposes of this study, this research tool, SERVQUAL, was modified and refined to test specific aspects of corporate reputation, determining the gap between the impact and performance of specific corporate reputation constructs.