

## **CHAPTER 3: METHODOLOGY**

The chapter will shed light on the methodology employed to research on the relationship between the relational capital and firm's performance with the firm's size with the mediating factor to establish the link between the two variables. The industry chosen for particular research is the automobile industry of Pakistan where the relational capital relation with a firm's performance can be adequately and effectively studied.

### ***3.1 Research Design***

To carry out any research, there needs to be an organised methodology, which requires the proper justification that is fulfilled by the research design (Creswell and Creswell, 2017). The research design is divided into qualitative and quantitative analysis. This particular research employed is based on studying the numeric data in the form of figures and statistics, thus quantitative research will be used. Under the quantitative research design, the researcher is more concerned regarding the quantifiable data and design of various facts that could result in revealing the latent patterns that are found in the area to be studied (Neuman, 2016).

The research will study the relational capital and its link with firm performance in the form of numbers and data from their accounts that can only be studied in the form of mathematical means. Moreover, the previous research of Ogundipe (2012), which is based on the same topic of relational capital concerning firm performance, has employed the same qualitative design and has based their analysis on this particular research design.

### ***3.2 Data Collection Method***

The researcher collects data in two forms, which are primary and secondary, where primary data refers to the raw and first-hand information collected primarily for this particular research (Palinkas et al, 2015), whereas secondary data refers to second-hand information which is already available on different sources and is already collected by some other researcher (Johnston, 2017). The particular study aims at the automobile industry of Pakistan to study how the firm performance is related to the relational capital.

Thus, the data collection requires first-hand information from specific people operating in the automobile industry and is directed with the sole aim to obtain information related to this study, which cannot be obtained from any secondary sources such as journals, articles, books, and newspaper. The other reason for employing the primary research method is that it will eliminate all the chances for research to be biased, as the researcher will collect all the information from himself, ruling out prejudice.

### ***3.3 Instrument for data collection***

The data collection instrument refers to how the data will be collected for the study (Canals, 2017). The data collection instrument used regarding the primary study is the survey forms which will integrate the variables and mediating factor to identify how the dependent variable which is relational capital and independent variable which is firm performance are interconnected.

The survey questions will be in light of the automobile sector in Pakistan and how these variables are impacted in the context of the industry. The survey form is adapted from the study of Tumwine, Kamukama, and Ntayi (2012), which is based on a five-point Likert scale.

Moreover, the survey forms tend to cost-effective and easier to execute, yet the collection of information tends to be efficient.

### ***3.4 Sample Size and Sampling Technique***

Sample refers to the small part of the population that is being chosen or selected for the data collection process, to study the characteristics of the entire population (Gentles et al., 2015). The sample size selected for this research will be 100 employees and managers of the different automobile businesses in Pakistan. These employees have direct access to the information needed for this particular research in terms of relational capital and the employees with whom the survey will be collected will be those who have the direct information related to the firm's performance and determination of the firm size.

Moreover, the technique that is to be selected for choosing the sample depends on the nature of the sample size and instrument that can be used for collecting data on research design. The convenience sampling technique will be employed where researchers will seek for his convenience to select the respondents to be included in this research.

### ***3.5 Data Analysis Method***

The data analysis technique refers to the organisation, analysis, and discussion of the data. The different researches have different data analysis technique, which solely depends on nature if the study (Mertens, Pugliese and Recker, 2017). In this particular research, multiple regression models and correlation matrix are used, which will analyse through the SPSS technique, to test the hypothesis advanced. The SPSS version 20.p version will be used to conduct statistical data analysis.

The correlation analysis is conducted to determine the interdependence of both firm's performance and relational capital onto one another to seek whether both the variables are heading in uniform direction or contrasting direction, to indicate whether the relationship is direct or inverse. Moreover, the regression analysis helps in determining the impact of the independent variable on the dependent variable in light of the mitigating factor of the firm's size.

### ***3.6 Ethical Consideration***

The research undertaken must be within the ethical standards set and within the ethical boundaries which the researcher is bound to fall in. As the research is primary, thus the direct response is taken from the respondents, whose integrity and confidentiality are maintained throughout. The consent of the respondents is taken beforehand and then they are being surveyed. The researcher has refrained from the forceful survey from any of the respondents.

The confidentiality of the research is maintained in a way the personal information extracted from respondents will be kept private and confidential and will not be revealed to anyone. Moreover, the data extracted from the research will be solely used for this particular research. The objectivity of the research will be maintained as the researcher has been fair in his selection of methods and direction which has been chosen as each option presented is more of a rational one rather than based on self-initiation and assumptions.