CHAPTER 3 : METHODOLOGY

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3. METHODOLOGY

3.1. The Study: In the face of changing socio-economic scenario in the country, the review and evaluation of Employees' Provident Fund Organisation needs to be undertaken to understand the efficacy of Provident Fund Schemes, the structure of Provident Fund Organisation vis-à-vis services rendered and various components of Provident Fund Organisation i.e., Provident Fund, Pension and Deposit Linked Insurance Schemes, etc., in terms of their enforcement and administrative framework. Further, the study offers an assessment of implementation of Provident Fund Schemes with special reference to Madhya Pradesh and to gauge the reach and penetration of various schemes.

It is an exploratory study to know the awareness amongst workers/beneficiaries as to how deeply and thoroughly do the beneficiaries know what benefits they can get from the Provident Fund Schemes. The study of impediments of Provident Fund Schemes has also not been done so far. The present study is an attempt to explore the problems faced by Provident Fund department, the employers and the subscribers. The study also offers to assess the level of awareness and satisfaction amongst the subscribers/beneficiaries of un-exempted and exempted private establishments. Identification of the perceptual gaps in the understanding of Provident Fund schemes amongst the staff of Provident Fund Organisation who are supposed to implement, the employers who are supposed to adopt the Schemes and the workers or employees who are supposed to take benefits from the schemes. Therefore, the study is three dimensional in nature i.e. views of three different segments were taken into consideration for exploring the facts. On this basis, to evolve and propose appropriate measures for ensuring social security of people of India and to open new vistas for research.
3.2. The Design: The study was carried out with a multi-stage randomized group design to understand the perception of staff of Employees' Provident Fund Organisation, the employers and the subscribers about the constituents impeding the services of Provident Fund Department.

Stage I: An open ended instrument was developed on the basis of review of literature and in consultation with people in staff of Provident Fund Department, in the employers and in the workers/subscribers.

Stage II: The pre-testing was done by administering the instrument on specific subset of staff of Employees' Provident Fund Organisation, the employers and the subscribers. This gave insight for correction of items and their selection and for removing aberrations, if any. On the basis of the results of preliminary study, the items which were not significantly contributing to measure the variables in focus were dropped from the instrument. The final instrument thus developed consisted of three sections.

Stage III: The final instrument was administered on 100 employees of Employees' Provident Fund Organisation who were responsible for implementation of Provident Fund Schemes in the State of Madhya Pradesh. 100 Employers and 200 Subscribers each in Exempted and Un-exempted establishments respectively. So, the final size of sample of study was 600 respondents.

3.3. The Sample: The external validity and generalisability of perceptual measure depends upon the subject on which the study is conducted. The selection of workers or subscribers, employees of Provident Fund Organisation and the employers was done on random basis and hence is expected to be unbiased. The various centres chosen were to give proportionate representation to all centres in the State of Madhya Pradesh. The establishments chosen from these representative centres were also representative in character like manufacturing sector, commerce and trading sector and service sector. The
urban and rural aspects were also taken care of. The density of population such as low, medium and high were given due consideration. So this has provided as wide coverage as possible. The sample was collected from Bhopal, Indore, Ujjain and Jabalpur areas of the State of Madhya Pradesh. The total sample set was designed to cover all possible factors, important in getting a factual output from the survey. Another important factor which was not ignored was to cover all types of the workers – right from unskilled labourers to the skilled foreman and executives/managers all levels of workers including women were given adequate representation.

The total sample of study was of 600 respondents. 100 of the employees of Provident Fund Organisation of the State of Madhya Pradesh representing various levels of hierarchy. 100 of the employers representing various types and sizes of businesses and industries were selected from private sector based in the State of Madhya Pradesh. Finally, a random sample of 200 subscribers/beneficiaries each, working in un-exempted and exempted establishments respectively.

3.4. TOOLS

3.4.1. For Data Collection: The method of sample survey was used to collect data. Three separate questionnaires were developed and standardized for data collection from respondents (Appendix A). The questionnaires comprised of three sections. Section one contained questions to obtain information about the demographic variables of the respondents. Section two consisted of close ended questions to obtain information about different varying perceptions of respondents and section three consists of general suggestions to improve the over all functioning. The questionnaires related to employers and employees of establishments and employees of Employees' Provident Fund Organisation had been given personal attention and as far as possible through them first hand information had been gathered. All critical and strategic permutations and
combinations of groups and individuals have been attended to through set of questionnaires. So nothing required is missed out at.

3.4.2. For Data Analysis: The demographic information sought in section-I of the instrument was used for classifying the data and to understand the distribution of sample. The classification was tabulated for appropriate statistical treatment as per requirements for drawing the results. Chi-square test was used on the responses to section-2 of the instrument for determining the significant differences in the perceptions of respondents in all the categories i.e., staff of Employees' Provident Fund Organisation, the employers and the subscribers.

In essence, the analysis of data in a sense, is a synthesis of view points of beneficiaries of schemes i.e., workers, view points of implementing agency i.e., employees of Employees' Provident Fund Organisation and view points of employers of establishments. The frustrations, aspirations and opinions of all the stakeholders gave an image of weak as well as strong points and hence clues to manage the Employees' Provident Fund Department in better way.

3.4.2.1 Chi-Square : When the number of observations is quite small, the parametric methods of statistical analysis are not applicable. In such cases, a technique which compares samples and allows inferences or tests of significance without having to assume normality in the populations is used. Such method is called non-parametric technique. The chi-square test is nonparametric technique which represents a useful method of comparing experimentally obtained results with those to be expected theoretically on the basis of hypothesis.

The equation for chi-square is stated as follows:

\[ X^2 = \sum [(fo - fe)^2 / fe] \]
Where $f_0 = \text{frequency of occurrence of observed or experimentally determined facts.}$

$e_c = \text{expected frequency of occurrence on some hypothesis.}$

The differences between observed and expected frequencies are squared and divided by the expected frequency. In each case, the sum of these quotients is $X^2$. The chi-square test of independence in contingency tables was used as it was intended to investigate the relationship between perceptions of two categories. The hypothesis to be tested was the null hypothesis namely, that the respondents between two categories do not differ in their responses. The computed chi-square value along with the degree of freedom (df) which is calculated as $df = (r-1)(c-1)$ where $r$ is number of rows and $c$ is the number of columns in which the data was tabulated, was checked with the chi-square table which shows $P$ (the probability of exceeding the tabulated value of chi-square for the specified number of degrees of freedom). At 0.05 level of probability with $df$ of 2, the table value of chi-square was 5.991. If computed value of chi-square was less than 5.991, the null hypothesis was accepted else it was rejected. (Appendix B)