CHAPTER – III

RESEARCH METHODOLOGY
“I can resist anything except temptation” - Oscar Wilde.

This succinctly portrays the human behavior and weakness. Today’s business environment has powerfully reinforced the centrality of ethical behavior in business. Over the past several years, there are several stories of corporate scandals. These scandals have focused sustained attention on the issue of ethics in business and there is much to be learned from them. However, business ethics is not most fundamentally about scandals but at a much more basic level. It is about clearly determining the ethical dimensions of workplace in a business atmosphere on daily basis and executing thoughtful actions in the wake of complex business environment where decisions must be often made quickly under considerable pressure.

3.1 Introduction

Managerial ethics are ethical practices within organization to take fair and objective decisions regarding whom to recruit, how to reward, what to produce and how much to earn with special concern to society and environment. Work ethics means commitment to job, identification with a company, dedication to a given task, a sense of belonging and involvement, perceiving job as worthwhile i.e. a reflection of an attitude towards work and motivation to work, (Chavan, 2011).
The earlier research studies suggested that successful ethics management depends more on employees’ perceptions of fairness, ethical leadership at all levels, and the alignment of multiple formal and informal cultural systems to support ethical conduct than it does on formal ethics programmes. HR professionals must play a key role in ethics management using HR systems to invoke fairness and ensure organizational harmony.

Typically an ethics officer is responsible for developing an organization's ethics policies, creating communication related to the organization's code, planning ethics training programmes, and overseeing the ethics reporting function. An effective ethics officer knows that it is also critical to operate as part of a team that brings together many different partners: finance, marketing, operations, and especially human resources. This thrust is paramount in drawing on their knowledge and resource in order to infuse ethics throughout the organization as well as the external business environment.

### 3.2 Significance of the Study

Prior research on business ethics reveals only minor interest in HRM issues, and HRM has kept an arm's length distance to ethics. The relationship between ethics and HRM is paradoxical: human resource management has always involved an ethical aspect, and all the time HRM has tried to conceal it. Right now, the major challenges in the area of HR ethics are related to:
a) General values and attitudes, so-called societal-level ethical climate,
b) The company-level adoption of HR ethical thinking, a kind of “total ethical management” similar to TQM,
c) The need for HR ethical codification, and
d) The methodological and theoretical challenges of HR research.

Management of ethics in HRM is considered under two general categories. They are ethical dilemmas; and ethical lapses. The major ethical dilemmas in HRM arise from functional area of business. Areas of ethical misconduct in personnel function include employment, remuneration and benefits, labour relations, health and safety, etc.

Several philosophers and management experts have developed a number of models and systems to help people resolve ethical dilemmas. There are three fundamental ethical approaches or business for business managers; the utilitarian; the moral rights and the social justice approaches.( John & Richard, 1989). As some authors region in recent publications, ethics in human resource management also come to be an additional internal concern of organizations. Whereas formerly the interests of employees were ignored or only regarded one of several stakeholders’ interests, the “ethical management of employees” itself gains in significance. Especially human resource management (HRM) plays a decisive role in introducing and implementing ethics. The study outlines some aspects of ethics in HRM. It sketches ethical concerns that emerged in recent HRM debates, and reflects the viewpoint that ethics needs to be a pivotal
difficulty for HR specialists. Several ethical frameworks and their software program in HRM policies and practices are reviewed. Here, the focus is mainly on barriers and obstacles to introducing ethical standards in HRM activities. Finally, some first steps to putting ethics into HRM procedure are outlined.

Although ethical difficulties arise almost constantly in human resource management; in academic debates around HRM ethical issues had been of marginal significance for extended and gained increasing interest in publications is of recent origin. The attention paid to moral dimensions of HRM was triggered by some objectionable changes in organizations’ management of people, as many recent developments in HRM policies and practices had raised many serious ethical questions.

3.3 Conceptual Framework

Research is a systematic quest for undiscovered knowledge. It is a combination of both experience and reasoning and is regarded as the most successful approach to discover knowledge. Thus it is systematized effort put in planned organisation with a specific goal. The discovery and creation of knowledge therefore lies at heart of research.

The purpose of research is to discover answers to questions through the application of scientific procedures. The main aim of research is to find out the truth which is hidden and which has not been discovered as yet. It helps to portray accurately the characteristics of a particular individual, situation or a
group of studies with this object in view are known as descriptive research studies. Some of the motives for doing research are desire to get a research degree along with its consequential benefits, desire to face the challenge in solving the unsolved problems, i.e., concern over practical problems initiates research, desire to get intellectual joy of doing some creative work, desire to be of service to society and the desire to get respectability.

Research methodology is a way to systematically solve the research problems by logically adopting various steps. It aims to describe and analyze methods, throw light on their limitations and resources, clarify their presuppositions and consequences relating their potentialities to the twilight zone at the frontier of knowledge. Research methodology develops a critical and scientific attitude, disciplined thinking or a ‘bent of mind’ to observe objectively. Research methodology includes the various steps that are generally adopted by a researcher in studying the research problem along with the logic behind them.

3.4 Statement of the Problem

Over the last few years, there has been a growing interest in ethical performance in Human Resource Development. Some reasons for this trend include the increasing lack of confidence regarding HRD activities, the growing emphasis on quality of work life issues, a spate of recent scandals at prominent firms, globalization of organizations and the introduction of a strategic approach. In all of this, HR professionals and in some companies, ethics officers have and continue to play a pivotal role in ethics management.
The HR department is a particularly important partner in its effort to promote ethical culture. As recruiters, HR professionals determine who are invited to join the team. They employ reward and punishment systems to reinforce appropriate behaviour. They may use information gleaned from exit interviews to support and improve the ethical environment. Apart from the ethics and compliance office, there is no other department as critical to the development of an organization's ethical culture as HR. In light of this situation it is incumbent on HR managers to play a vital role in the development of ethical culture, and as such should focus on the ways in which HR professionals can work synergistically with ethics and compliance officers to improve an organization's ethical culture.

The strength of any business is heavily reliant on the quality of its human resource. Also, how employees are treated will largely determine the extent to which they will perform. The HR professionals must therefore manage employees' ethical conduct, in order to construct an organizational climate and culture to support and encourage ethical behavior. Several companies are likely to face ethical dilemmas if HR does not exercise due care in handling employees when they bring bad news or unpopular opinions. The organization's core values should be realistic and should not be just pretty words inscribed on corporate trinkets.

Concerns about protecting the environment, fair employment practices, workers rights, closing facilities and workers safety have revolutionized the
practice of HR management and appropriately added an ethical dimension. However, the paradigmatic forms taken by these problems, the character traits and motives needed to recognize them as such, the ethical reasoning used to address them, as well as the substance of the ethical principles on which such reasoning is based are all essentially core HR functions today.

Ethics really work best when it is woven in the fabric of the organization and that is exactly when the work of HR becomes essential. In order for this to be done right it requires working across the organization with the various stakeholders to accomplish a common goal.

3.5 Objectives of the Study

On the basis of the above facts and by taking various factors into consideration, the following objectives were framed.

1. Critically explore and evaluate the ethical nature of human resource management;
2. Identify and define current ethical and moral issues confronting HR managers;
3. Compare, contrast and critically appraise a range of approaches to ethical analysis;
4. Critically appraise the relevance and usefulness of philosophical analysis to HR practice.
5. Explore different ways to address and resolve ethical dilemmas.
6. Understand ethic codes, values and ethic programs.
7. Identify how ethics affect teamwork, productivity and the public image.

3.6 Hypothesis

1. There is a significant difference between public and private sector employees towards ethics in human resource management in the organizations.
2. There is a significant difference between manager and executive cadre employees in the selected organizations regarding ethics in human resource management.
3. There is no significant difference among different age group employees towards ethics in human resource management.
4. Ethics in human resource management does not have any significant relation with the experience of employees in their job.
5. There is no relation between income levels of the employees and ethics in human resource management in the organization.
6. There is no significant relation between dependent ratio of the employees with the ethics in human resource management in the organization.

3.7 Research Design

“A research design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” - Claire Selltiz, 1962.
“Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance.” - Kerlinger, 1960.

The definition of Kerlinger includes three important terms – plan, structure and strategy. The plan is the outline of the research scheme on which the researcher is to work. The structure of the research work is a more specific scheme and the strategy suggestions how the research will be carried out i.e. methods to be used for the collection and analysis of data.

In brief, research design is a framework or blueprint for conducting the research project. It details the procedures necessary for obtaining the information needed to structure and/or solve the research problem. It is the specification of methods and procedures for acquiring the information needed for solving the problem. Questionnaires, forms and samples for investigation are decided while framing research design. Finally, the research design enables the researcher to arrive at certain meaningful conclusions at the end of proposed study. Depending on the research purpose and objectives, the research designs are categorized as exploratory or formulative, descriptive or diagnostic and hypothesis testing research studies.

The main purpose of exploratory research is that to define the problem more precisely, identify the relevant courses of action i.e. find the most likely alternatives, which are then turned into hypotheses, isolate key variables and relationships for further examinations, gain insights for developing an approach
3.8 Selection of Units for the Study

The main objective of the study is to assess the perceptions of employees on ethics in human resource management as well as to determine the need and necessity of ethics in HRM and functional status of employees in the selected units. Keeping the above aspects under consideration, six industrial organizations have been selected for the present study. Among these six organizations, three are from public sector and three are from private sector. From each sector, among the three organizations, one is production unit and other two are service units. Out of the public sector units, Visakhapatnam Steel Plant (VSP) is a production unit, whereas, Hindustan Petroleum Corporation Limited (HPCL) and Visakhapatnam Port Trust (VPT) are service units. Among the private sector units, Coromandel International Limited (CIL) is production units, whereas, Miracle Software Systems (I) Pvt. Ltd. (MSS) and The Park Hotel (PH) are service oriented units. These six selected organizations are located in Visakhapatnam and its surroundings.

Further, these selected study units are well known in their activities and are major players in the fast growing production and service sector in the state and have witnessed several upheavals and dynamics which have brought them to the position in which they are specialized at present. The need for the optimum practice of ethics in human resource management to face the challenges emerging from its changing environment in the present and changes expected in
the future forces to look at organization performance from short and long-term perspectives. At this juncture, it is necessary to determine the levels of ethics in human resources management in the context of public and private sector units of production and service oriented organizations, and come up with suitable, workable and acceptable recommendations which help an organization and its people to raise their performance and excel in the current situations as well as be prepared to tackle any scenario thrown at them in the future too.

3.9 Method of Investigation

The strategic random survey method was adopted to select the objects from the above said six organizations to investigate the ethics in human resource management and their impact on industrial performance. This method is an important one and there will be no confusion with the more clerical routine of gathering and tabulating figures. It involves a clearly defined problem and definite objectives. It requires expert and imaginative planning, careful analysis and interpretation of the data gathered, logical and skillful reporting of the findings. For this the researcher has collected the required data and information from the sample respondents through study tool.

3.9.1 Tool of the Study

Tool is one of the important elements in the study through which the researcher will derive necessary information relating to the investigation. The questionnaire is the main tool for the current study. In this study, interview is the main source for obtaining most reliable data from the respondents. The required
information can be obtained through pre-designed questionnaires. This type of investigation has proven to be a reliable and genuine method for collecting data in the field of social research.

The very purpose of this research is to know the employees opinion on ethics in human resource management in public and private sector organizations, its efficacy in the current industrial situation, the training they are given to help them to adapt, and the relative importance given by the respective organizations. The study demanded direct answer from the respondents (employees), without any ambiguity which will determine the factors contributing positively or negatively for assessing the ethics in human resource management in production and service motto industries in the study area.

The researcher has constructed a questionnaire for the employees based on objective model of statements. The opinion of the sample respondents against each statement is given by objective type answers. These objective type answers are like Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree; Yes or No; True or False; Always, Sometimes and Rarely etc., the scoring procedure for the opinions are graded with five point scale. The respondents are requested to give opinion by putting a tick (√) mark on any one of the alternatives. The investigator collected the information from employees with the help of this questionnaire.

The questionnaire was constructed with ten specific areas. The first one represents identification, where the particulars of the employees like designation,
age, experience and monthly income are covered. From the area two to ten are represent for dimensions of ethics in Human Resource Management and each dimension is carrying number of statements. These dimensions are 1) Employment Discrimination, 2) Whistle Blowing, 3) Employee Privacy, 4) General ethics in the Organization, 6) Organisation Culture and Ethics, 7) Support by top management, 8) Ethics code, 9) Ethics training and 10) Ethics hotline. The statements from 1 to 6 are for employment discrimination, 7 and 8 are belongs to whistle blowing and 9 to 13 are regarding employee privacy. The general ethics of the organization was formed with 18 statements. The statements from 14 to 18 belong to the dimension of organizational culture and ethics, from 19 to 22 statements belong to support by the top management, from 24 to 26 statements are related to Ethical code, from 27 to 30 statements are related to Ethical training and from 30 to 36 statements are relating to Ethical hotline.

The statements from each dimension, there are alternative answers by which the employees have to express their opinions. The options are given as, strongly agree, agree, un-decided, disagree and strongly disagree. For some statements the opinions are like, Yes or No, and some statements are represented with always, sometimes, rarely/never and don’t know/refuse. Along with the statements in the questionnaire the investigator also collected some personal information of the employees relating to personal information like designation, age, experience, monthly income etc.,.
Before the questionnaire was administered, the researcher has conducted a pilot study with 24 respondents (4 form each selected organizations) in order to test the validity and appropriateness of the statements. Item validity of employees’ questionnaire determined by critical ratio values, comparing the upper 27% and lower 27% groups.

3.9.2 Finalization of the Questionnaire

The researcher has personally involved in the investigation by visiting main sections and departments of the selected six organizations and collected the necessary data as a part of pre–testing of the questionnaire. The required data was subjected to statistical treatment by using Critical Ratio Method for establishing the validity and reliability of the instrument. It is proved after proper calculations that at 0.01 and 0.05 levels of significance all the statements were accepted.

After eliminating the rejected statements at level of significance, the final questionnaire with statements was approved for administration. This Pre-test helped the investigator to structure the questionnaire and to improve the effectiveness of the final questionnaire.
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Item validity of tool – Critical ratio values, comparing the upper 27% and lower 27% groups

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** Significant at 0.01 level; * Significant at 0.05 level.
3.9.3 Item Validity of the Tools, Critical Ratio Values Comparing the Upper 27% and Lower 27% Groups

Among the 55 statements of the questionnaire all the items Critical Ratio values are significant indicating item validity. Out of which 15 statements are significant at 0.05 level and the remaining 40 statements are significant 0.01 level.

In the employees’ opinion description questionnaire (statements 55) all critical ratio values are found to be significant indicating item validity of each statement of the total test dealing with reference to Ethics in Human Resource Management and HR practices in the selected industries related to employees.

Not significant: None of the statement in the questionnaire with not significant.

0.01 level : Among the 55 statements, as many as 40 statements are significant at 0.01 level indicating the item validity of the total test.

0.05 level : The remaining 15 statements are significant at 0.05 level.

3.9.4 Administration of the Questionnaire

After preparing the questionnaire and subjecting it for pre-test, the final questionnaire was accepted and administered for data collection. Since the mailed questionnaire will bring unsatisfactory results, the researcher had personally visited the selected six organizations and administered the questionnaire with a sample of 400 employees. The random sampling method was adopted for data collection and according to that the investigator has covered all the executives and managers working in the selected organizations. Among these managers and executives both male and female categories were
covered with different education levels and experience status. The particulars of the employees about their executive level, designation, age, experience, monthly income levels etc., are presented in the following tables.

The researcher herself personally visited the selected six organizations and to meet the managers and executives of different sections and departments to explain about the research and collected the necessary information through questionnaire. Ultimately, the investigator has collected the required data satisfactorily.

3.9.5 Data Collection

a) Primary Data

The primary data is the information collected with the help of pre-designed questionnaire from the 400 employees of the selected organization. The researcher has collected the necessary information from the Section Heads and Department Heads of the selected organizations (Visakhapatnam Steel Plant, Visakhapatnam Port Trust, Hindustan Petroleum Corporation Limited, Coromandel Fertilizers, Miracle Software Solutions and The Park Hotel) and reports of the concerned offices and administrators.

b) Secondary Data

In order to acquire the secondary data, the researcher has visited offices of various departments of selected organizations and industries, and had gone through their records and annual reports. The researcher also visited the Central
Library at University and department library for collection of additional data from the books, journals, articles etc., and websites and other online websites and the content was analyzed.

3.9.6 Sample of the Study

A sample is a small proportion of a population selected for observation and analysis. Much care has been taken while selecting the sample for the study. While explaining the importance of this method of sampling, John W. Best said “In addition to or instead of, socio-economic status, such characteristics as age, sex, education, racial origin, religious or political affiliation or rural urban residence, might provide a bases for choosing a stratified sample”.

The size of the sample is 400 employees from the selected six organizations. As the selected service units in the private sector are comparatively smaller than the public sector service units, to maintain equal sampling method with the public sector units, the researcher has selected some other units with same specifications for data collection. The sample were taken randomly from executive and manager cadre employees with different age group, experience, income levels etc., The detailed distribution of the sample employees is presented in the following chart. Moreover, the samples were taken from Visakhapatnam in the state of Andhra Pradesh could have given scope for under generalization of the findings.
Figure 3.1 Classification of the Sample

VSP – Visakhapatnam Steel Plant
HPCL – Hindustan Petroleum Corporation Ltd.
VPT – Visakhapatnam Port Trust
CIL – Coromandel International Ltd.
PH – The Park Hotel
MS – Miracle Software Systems (I) Pvt. Ltd.
3.9.7 Independent Variables

The socio-demographic characters of the sample respondents (employees) are the independent variables in this study. There are nine dependent variables considered in the present investigation. These are the main factors which are representing ethics in human resource management. The following independent variables were studied of the employees.

1) Organization
2) Designation
3) Age
4) Experience
5) Monthly Income

3.9.8 The Dependent Variables

For all the employee questionnaires in the sample study the opinions are collected with the help of set of statements. For each statement the investigator identified the opinion with the help of a five-point scale method. The opinions are like Strongly agree, Agree, Un-Decided, Disagree and Strongly disagree, Yes or No, Always, Sometimes, Rarely and Don’t know etc. The dependent variables were studied in order to study the opinion of the executives and managers on ethics in the human resource management in the organization and find out the influence of independent variables on the dependent variables. Through these statements, the investigator wants to identify:
1) Employment Discrimination,
2) Whistle Blowing,
3) Employee Privacy,
4) General ethics in the Organization,
5) Organisation Culture and Ethics,
6) Support by top management,
7) Ethics code,
8) Ethics training and
9) Ethics hotline.

Therefore, to study the problem, the researcher has taken up three organizations from public sector and three organizations from private sector in Visakhapatnam of Andhra Pradesh state as the areas for investigation. Since the organizations are within the limits of the city, there is a possibility of urban influence on the respondents (employees). The very nature of the study demands at least a semi-cultural group which is in touch with the socio-economic background rather than a sample from remote rural villages. Apart from this, the areas selected for the study is accessible to the researcher, which will in turn facilitate data collection.

3.10 Statistical Techniques for Analysis of Data

The measurement of ethics in human resource management in changing environment requires a careful enquiry into current status of human resource management and current position of employees’ views on changing environment and perceptions of employees on changing environment. The following techniques are used to analyze the strategic HRD in changing environment.
a) The F–test or the Variance Ratio Test

The F–test is named in honor of the great statistician R.A. Fisher. The object of the F- test is to find out whether the two independent estimates of population variance differ significantly, or whether the two samples may be regarded as drawn from the normal populations having the same variance. For carrying out the test of significance, the F ratio is calculated. F is defined as

\[ F = \frac{S_1^2}{S_2^2} \]

where

\[ S_1^2 = \frac{\sum (X_1 - \overline{X}_1)^2}{n_1 - 1} \]

And

\[ S_2^2 = \frac{\sum (X_2 - \overline{X}_2)^2}{n_2 - 1} \]

It should be noted that \( S_1^2 \) is always the larger estimate of variance, i.e., \( S_1^2 > S_2^2 \)

\[ F = \frac{\text{Larger estimate of variance}}{\text{Smaller estimate of variance}} \]

\[ V_1 = n_1 - 1 \text{ and } V_2 = n_2 - 1 \]

\( V_1 = \) Degrees of freedom for sample having larger variance.

\( V_2 = \) Degree of freedom for sample having smaller variance.

The calculated value of F is compared with the table value for \( V_1 \) and \( V_2 \) at 5% or 1% level of significance. If the calculated value of F is greater than the table value, then the F ratio is considered significant and the null hypothesis is rejected. On the other hand, if the calculated value of F is less than the table value the null hypothesis is accepted and it is inferred that both the samples have come from the population having the same variance.

Since F test is based on the ratio of two variances, it is also known as the variance ratio test. The ratio of two variances follows a distribution called the F
distribution named after the famous statistician - R.A., Fisher

b) The t-test

The student's t-distribution is an important statistical tool has a number of applications in statistics. The following are some of them;

1. t–test for significance for single means, population variables being unknown.
2. t–test for the significance of the difference between two sample means, the population variance being equal but unknown.
3. t–test for significance of an observed sample correlation coefficient

In this analysis the investigator has used the t–test for testing the significance of the difference between two sample means.

The formulae used for this test is

\[ t = \frac{\bar{X} - \bar{Y}}{S \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}} \sim t_{n_1 + n_2 - 2} \]

Where \( \bar{X}_1 = \frac{\sum X_1}{n_1}, \bar{Y}_1 = \frac{\sum Y_1}{n_2} \)

And \( S_2 = \frac{[\sum (X_1 - \bar{X}_1)^2 + \sum (Y_1 - \bar{Y}_1)^2]}{n_1 + n_2 - 2} \)

Analysis of data means studying the tabulated material in order to determine inherent facts or meanings. The acquired data was given simple statistical treatment and presented in the form of cross tables.
The interpretations of tables are given under each table with Chi-square values. The following chapters of the study contain the tabulations of data, analysis and their interpretation.

3.11 Limitations of the Study

The main intention of the present investigation is to study the response of different categories of employees on ethics in human resource management in the selected public and private organizations, where they are working at present. And it was also to find out the differences in performance of the respondents with respect to production and service motto industries in their respective units by using different criteria’s based on their personal characteristics like designation, age, experience, income levels etc.,.

Even though the investigator was conscious enough to make the present study as scientific as possible, limitations like, reluctance to divulge accurate information by the respondents; a perception that change management is not an important components of the organization; limited information about change process and change environment concerns of their organizations; and a purported lack of time, couldn’t be avoided and the researcher feels that they are inevitable in survey studies of this type. There is also a dearth of literature in change management. Generalization from this study should be cautiously made, since the sample study area and subjects are limited.

Hence, the investigation is limited to the selected six organizations from both public and private sectors with productions and service motive, the sample is confined
to 400 subjects, the investigator has presented the profiles of the study area in the next chapter.
References