

PREFACE

Business Research Methodology

This book is the result of my teaching experience in the subject BUSINESS RESEARCH METHODOLOGY and working experience in RESEARCH & STATISTICS to Sikkim Manipal University, Udupi students for about 8 years. It is designed to meet the requirements of students at Bachelor's, Masters and Ph D levels in Engineering and Management (M E, MCA MBA and Ph D in Project Management, Engg, Computer Applications and Business Administration).

The main highlight of the book is the theoretical and numerical solved problem approach framed by the author with many theoretical concepts. This book has a large number of problems solved in some chapters & many questions with answers and explanations.

I thank various International software makers in the field of Statistics which made me able to work on tricky NUMERICAL PROBLEMS involving data and almost all theoretical concepts covered in this book related to Business Research Methodology.

There are many problems and all theoretical concepts related to Statistics framed by myself and can be best suitable for Bachelors, Masters & Ph D students during their RESEARCH WORK in the three fields mentioned below:

ENGINEERING-ALL FIELDS. (BACHELOR LEVEL, MASTERS LEVEL AND DOCTORS LEVEL)

COMPUTER APPLICATIONS. (BACHELOR LEVEL, MASTERS LEVEL AND DOCTORS LEVEL)

BUSINESS ADMINISTRATION. (BACHELOR LEVEL, MASTERS LEVEL AND DOCTORS LEVEL)

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ABOUT THE BOOK

This book is on BUSINESS RESEARCH METHODOLOGY

which is a compulsory subject for Commerce students .Even the higher level students and bachelor level students can also read it as it contains a lot of numerical problems framed by me.

Chapter-I

Research – Qualities of Researcher – Components of Research Problem – Various Steps In Scientific Research – Types of Research – Hypotheses Research Purposes - Research Design – Survey Research – Case Study Research.

Chapter-II

Data Collection – Sources of Data – Primary Data – Secondary Data

- Procedure Questionnaire – Sampling Methods – Merits and Demerits – Experiments – Observation Method – Sampling Errors - Type-I Error & Type-II Error.

Chapter-III

Statistical Analysis – Introduction To Statistics – Probability Theories – Conditional Probability, Poisson Distribution, Binomial Distribution and Properties of Normal Distributions – Hypothesis Tests

– One Sample Test – Two Sample Tests / Chi-Square Test, Association of Attributes - Standard Deviation – Co-Efficient of Variations .

Chapter-IV

Statistical Applications – Correlation and Regression Analysis – Analysis of Variance – Partial and Multiple Correlation – Factor Analysis and Conjoint Analysis – Multifactor Evaluation – Two-Factor Evaluation Approaches.

Chapter-V

Research Reports – Structure and Components of Research Report

– Types of Report, Characteristics of Good Research Report, Pictures and Graphs, Introduction To SPSS.

are the 5 chapters with various sub-topics covered in this book. All theories are given and explained and all formulae are also covered in this book in Statistics section of the subject.

I feel that this is a unique book as there are theory, formulae & numerical problems solved with all possible steps.

HAPPY READING.

THANKS

REGARDS

AUTHOR

(SRINIVAS R RAO)



ABOUT THE AUTHOR

Author's name is Srinivas R Rao, born and done his school level education in Mangalore, Karnataka in a reputed private school Canara High School and PUC(+2) from Canara PUC in Science stream with PCMB as main subjects.

Later, pursuing LL.B(5 Years) course passed the degree in 1999 and done Diploma in Export Management ,Diploma in Customs and Central Excise , Diploma in Business Administration and some important IT subjects like MS-Office,Internet/Email,Visual Basic 6.0,C,C++,Java,Advanced Java,Oracle with D2K,HTML with Javascript,VBscript and Active Server Pages.

Joined as a FACULTY for students in a small computer Institute in 2002 July and later after 4 months worked in a company by name CRP Technologies(I) .P.Ltd as Branch Manager(Risk Manager) for Mangalore,Udupi and Kasargod areas from January 26 2003 to June 11 2007.In the year 2005 pursued MBA distance education course. Currently working as a FACULTY in Sikkim Manipal University , Udupi centre for BBA & MBA students and teaching numerical subjects like Statistics/Operations Research(Mgt Science/Quant. Techniques for Mgt)/Accounting and several numerical and difficult oriented subjects for distance education students in their weekend contact classes from July 2010 till present day.

Thanks

Regards

Author

(SRINIVAS R RAO)

BUSINESS RESEARCH METHODOLOGY

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CHAPTER – I

Introduction

- 1 Meaning, Objectives And Types Of Research
- 2 Qualities Of Researcher
- 3 Significance Of Research
- 4 Research Process
- 5 Research Problem
- 6 Features, Importance, Characteristics, Concepts And Types Of Research Design
- 7 Case Study Research
- 8 Hypothesis And Its Testing
- 9 Sample Survey And Sampling Methods

1.1 Meaning Of Research:

Research in simple terms refers to search for knowledge. It is a scientific and systematic search for information on a particular topic or issue. It is also known as the art of scientific investigation. Several social scientists have defined research in different ways.

In the *Encyclopedia of Social Sciences*, D. Slesinger and M. Stephenson (1930) defined research as “the manipulation of things, concepts or symbols for the purpose of generalizing to extend, correct or verify knowledge, whether that knowledge aids in the construction of theory or in the practice of an art”.

According to Redman and Mory (1923), research is a “systematized effort to gain new knowledge”. It is an academic activity and therefore the term should be used in a technical sense. According to Clifford Woody (Kothari, 1988), research comprises “defining and redefining problems, formulating hypotheses or suggested solutions; collecting, organizing

and evaluating data; making deductions and reaching conclusions; and finally, carefully testing the conclusions to determine whether they fit the formulated hypotheses”.

Thus, research is an original addition to the available knowledge, which contributes to its further advancement. It is an attempt to pursue truth through the methods of study, observation, comparison and experiment. In sum, research is the search for knowledge, using objective and systematic methods to find solution to a problem.

1 Objectives Of Research:

The objective of research is to find answers to the questions by applying scientific procedures. In other words, the main aim of research is to find out the truth which is hidden and has not yet been discovered. Although every research study has its own specific objectives, the research objectives may be broadly grouped as follows:

1. To gain familiarity with new insights into a phenomenon (i.e., formulative research studies);
2. To accurately portray the characteristics of a particular individual, group, or a situation (i.e., descriptive research studies);
3. To analyse the frequency with which something occurs (i.e., diagnostic research studies); and
4. To examine the hypothesis of a causal relationship between two variables (i.e., hypothesis-testing research studies).

2 Research Methods Versus Methodology:

Research methods include all those techniques/methods that are adopted for conducting research. Thus, research techniques or methods are the methods that the researchers adopt for conducting the research studies.

on the other hand, research methodology is the way in which research problems are solved systematically. It is a science of studying how research is conducted scientifically. Under it, the researcher acquaints himself/herself with the various steps generally adopted to study a research problem, along with the underlying logic behind them. Hence, it

is not only important for the researcher to know the research techniques/ methods, but also the scientific approach called methodology.

3 Research Approaches:

There are two main approaches to research, namely quantitative approach and qualitative approach. The quantitative approach involves the collection of quantitative data, which are put to rigorous quantitative analysis in a formal and rigid manner. This approach further includes experimental, inferential, and simulation approaches to research. Meanwhile, the qualitative approach uses the method of subjective assessment of opinions, behaviour and attitudes. Research in such a situation is a function of the researcher's impressions and insights. The results generated by this type of research are either in non-quantitative form or in the form which cannot be put to rigorous quantitative analysis. Usually, this approach uses techniques like indepth interviews, focus group interviews, and projective techniques.

4 Types Of Research:

There are different types of research. The basic ones are as follows.

1. Descriptive Versus Analytical:

Descriptive research consists of surveys and fact-finding enquiries of different types. The main objective of descriptive research is describing the state of affairs as it prevails at the time of study. The term 'ex post facto research' is quite often used for descriptive research studies in social sciences and business research. The most distinguishing feature of this method is that the researcher has no control over the variables here. He/she has to only report what is happening or what has happened. Majority of the ex post facto research projects are used for descriptive studies in which the researcher attempts to examine phenomena, such as the consumers' preferences, frequency of purchases, shopping, etc. Despite the inability of the researchers to control the variables, ex post facto studies may also comprise attempts by them to discover the causes of the selected problem. The methods of research adopted in conducting descriptive research are survey methods of all kinds, including correlational and comparative methods.

Meanwhile in the Analytical research, the researcher has to use the already available facts or information, and analyse them to make a critical evaluation of the subject.

2. Applied Versus Fundamental:

Research can also be applied or fundamental in nature. An attempt to find a solution to an immediate problem encountered by a firm, an industry, a business organisation, or the society is known as applied research. Researchers engaged in such researches aim at drawing certain conclusions confronting a concrete social or business problem.

On the other hand, fundamental research mainly concerns generalizations and formulation of a theory. In other words, "Gathering knowledge for knowledge's sake is termed 'pure' or 'basic' research" (Young in Kothari, 1988). Researches relating to pure mathematics or concerning some natural phenomenon are instances of Fundamental Research. Likewise, studies focusing on human behaviour also fall under the category of fundamental research.

Thus, while the principal objective of applied research is to find a solution to some pressing practical problem, the objective of basic research is to find information with a broad base of application and add to the already existing organized body of scientific knowledge.

3. Quantitative Versus Qualitative:

Quantitative research relates to aspects that can be quantified or can be expressed in terms of quantity. It involves the measurement of quantity or amount. Various available statistical and econometric methods are adopted for analysis in such research. Which includes correlation, regressions and time series analysis etc.,

On the other hand, Qualitative research is concerned with qualitative phenomena, or more specifically, the aspects related to or involving quality or kind. For example, an important type of qualitative research is 'Motivation Research', which investigates into the reasons for certain human behaviour. The main aim of this type of research is discovering the underlying motives and desires of human beings by using

in-depth interviews. The other techniques employed in such research are story completion tests, sentence completion tests, word association tests, and other similar projective methods. Qualitative research is particularly significant in the context of behavioural sciences, which aim at discovering the underlying motives of human behaviour. Such research helps to analyse the various factors that motivate human beings to behave in a certain manner, besides contributing to an understanding of what makes individuals like or dislike a particular thing. However, it is worth noting that conducting qualitative research in practice is considerably a difficult task. Hence, while undertaking such research, seeking guidance from experienced expert researchers is important.

4. Conceptual Versus Empirical:

The research related to some abstract idea or theory is known as Conceptual Research. Generally, philosophers and thinkers use it for developing new concepts or for reinterpreting the existing ones. Empirical Research, on the other hand, exclusively relies on the observation or experience with hardly any regard for theory and system. Such research is data based, which often comes up with conclusions that can be verified through experiments or observation. Empirical research is also known as experimental type of research, in which it is important to first collect the facts and their sources, and actively take steps to stimulate the production of desired information. In this type of research, the researcher first formulates a working hypothesis, and then gathers sufficient facts to prove or disprove the stated hypothesis. He/she formulates the experimental design, which according to him/her would manipulate the variables, so as to obtain the desired information. This type of research is thus characterized by the researcher's control over the variables under study. In simple term, empirical research is most appropriate when an attempt is made to prove that certain variables influence the other variables in some way. Therefore, the results obtained by using the experimental or empirical studies are considered to be the most powerful evidences for a given hypothesis.

5. Other Types Of Research:

The remaining types of research are variations of one or more of the afore-mentioned type of research. They vary in terms of the purpose of research, or the time required to complete it, or may be based on some

other similar factor. On the basis of time, research may either be in the nature of one-time or longitudinal time series research. While the research is restricted to a single time-period in the former case, it is conducted over several time-periods in the latter case. Depending upon the environment in which the research is to be conducted, it can also be laboratory research or field-setting research, or simulation research, besides being diagnostic or clinical in nature. Under such research, in-depth approaches or case study method may be employed to analyse the basic causal relations. These studies usually undertake a detailed in-depth analysis of the causes of certain events of interest, and use very small samples and sharp data collection methods. The research may also be explanatory in nature. Formalized research studies consist of substantial structure and specific hypotheses to be verified. As regards to historical research, sources like historical documents, remains, etc. Are utilized to study past events or ideas. It also includes philosophy of persons and groups of the past or any remote point of time.

Research has also been classified into decision-oriented and conclusion-oriented categories. The decision-oriented research is always carried out as per the need of a decision maker and hence, the researcher has no freedom to conduct the research according to his/her own desires. On the other hand, in the case of Conclusion-oriented research, the researcher is free to choose the problem, redesign the enquiry as it progresses and even change conceptualization as he/she wishes to. Operations research is a kind of decision-oriented research, where in scientific method is used in providing the departments, a quantitative basis for decision-making with respect to the activities under their purview.

5 Importance Of Knowing How To Conduct Research:

The importance of knowing how to conduct research are listed below:

- i. The knowledge of research methodology provides training to new researchers and enables them to do research properly. It helps them to develop disciplined thinking or a 'bent of mind' to objectively observe the field;
- ii. The knowledge of doing research inculcates the ability to evaluate and utilize the research findings with confidence;

- iii. The knowledge of research methodology equips the researcher with the tools that help him/her to make the observations objectively; and
- iv. The knowledge of methodology helps the research consumers to evaluate research and make rational decisions.

6 Qualities Of A Researcher:

It is important for a researcher to possess certain qualities to conduct research. First and foremost, he being a scientist should be firmly committed to the 'articles of faith' of the scientific methods of research. This implies that a researcher should be a social science person in the truest sense. Sir Michael Foster cited by (Wilkinson and Bhandarkar, 1979) identified a few distinct qualities of a scientist. According to him, a true research scientist should possess the following qualities:

(1) First of all, the nature of a researcher must be of the temperament that vibrates in unison with the theme which he is searching. Hence, the seeker of knowledge must be truthful with truthfulness of nature, which is much more important, much more exacting than what is sometimes known as truthfulness. The truthfulness relates to the desire for accuracy of observation and precision of statement. Ensuring facts is the principle rule of science, which is not an easy matter. The difficulty may arise due to untrained eye, which fails to see anything beyond what it has the power of seeing and sometimes even less than that. This may also be due to the lack of discipline in the method of science. An unscientific individual often remains satisfied with the expressions like approximately, almost, or nearly, which is never what nature is. A real research cannot see two things which differ, however minutely, as the same.

(2) A researcher must possess an alert mind. Nature is constantly changing and revealing itself through various ways. A scientific researcher must be keen and watchful to notice such changes, no matter how small or insignificant they may appear. Such receptivity has to be cultivated slowly and patiently over time by the researcher through practice. An individual who is ignorant or not alert and receptive during his research will not make a good researcher. He will fail as a good researcher if he has no keen eyes or mind to observe the unusual changes behind the routine. Research

demands a systematic immersion into the subject matter by the researcher grasp even the slightest hint that may culminate into significant research problems. In this context, Cohen and Negal cited by (Selltiz et al, 1965; Wilkinson and Bhandarkar, 1979) state that “the ability to perceive in some brute experience the occasion of a problem is not a common talent among men... it is a mark of scientific genius to be sensitive to difficulties where less gifted people pass by untroubled by doubt”.

(3) Scientific enquiry is pre-eminently an intellectual effort. It requires the moral quality of courage, which reflects the courage of a steadfast endurance. The process of conducting research is not an easy task. There are occasions when a research scientist might feel defeated or completely lost. This is the stage when a researcher would need immense courage and the sense of conviction. The researcher must learn the art of enduring intellectual hardships. In the words of Darwin, “It’s dogged that does it”.

In order to cultivate the afore-mentioned three qualities of a researcher, a fourth one may be added. This is the quality of making statements cautiously. According to Huxley, the assertion that outstrips the evidence is not only a blunder but a crime (Thompson, 1975). A researcher should cultivate the habit of reserving judgment when the required data are insufficient.

7 Significance Of Research:

According to a famous Hudson Maxim, “All progress is born of inquiry. Doubt is often better than overconfidence, for it leads to inquiry, and inquiry leads to invention”. It brings out the significance of research, increased amount of which makes the progress possible. Research encourages scientific and inductive thinking, besides promoting the development of logical habits of thinking and organisation. The role of research in applied economics in the context of an economy or business is greatly increasing in modern times. The increasingly complex nature of government and business has raised the use of research in solving operational problems. Research assumes significant role in the formulation of economic policy for both, the government and business. It provides the basis for almost all government policies of an economic system. Government budget formulation, for example, depends particularly on the

analysis of needs and desires of people, and the availability of revenues, which requires research. Research helps to formulate alternative policies, in addition to examining the consequences of these alternatives. Thus, research also facilitates the decision-making of policy-makers, although in itself is not a part of research. In the process, research also helps in the proper allocation of a country's scarce resources.

Research is also necessary for collecting information on the social and economic structure of an economy to understand the process of change occurring in the country. Collection of statistical information, though not a routine task, involves various research problems. Therefore, large staff of research technicians or experts are engaged by the government these days to undertake this work. Thus, research as a tool of government economic policy formulation involves three distinct stages of operation: (i) investigation of economic structure through continual compilation of facts; (ii) diagnosis of events that are taking place and analysis of the forces underlying them; and (iii) the prognosis i.e., the prediction of future developments (Wilkinson and Bhandarkar, 1979).

Research also assumes significance in solving various operational and planning problems associated with business and industry. In several ways, operations research, market research and motivational research are vital and their results assist in taking business decisions. Market research refers to the investigation of the structure and development of a market for the formulation of efficient policies relating to purchases, production and sales. Operational research relates to the application of logical, mathematical, and analytical techniques to find solution to business problems, such as cost minimization or profit maximization, or the optimization problems. Motivational research helps to determine why people behave in the manner they do with respect to market characteristics. More specifically, it is concerned with the analysis of the motivations underlying consumer behaviour. All these researches are very useful for business and industry, and are responsible for business decision-making.

Research is equally important to social scientists for analyzing the social relationships and seeking explanations to various social problems. It gives intellectual satisfaction of knowing things for the sake of knowledge. It also possesses the practical utility for the social scientist to gain knowledge so as to be able to do something better or in a more

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