

THE PERCEPTION OF HIRING MANAGERS ON ETHICAL
VALUES: A STUDY OF HIRING MANAGERS FROM
MULTINATIONAL COMPANIES IN PENANG

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“Bismillahirrahmanirrahim”

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ABSTRAK

Kajian ini bertujuan mengkaji perhubungan di antara faktor-faktor demografik seperti umur, jantina, etnik, taraf pendidikan, taraf perkahwinan, tahap pengurusan/pangkat dan negara asal majikan dengan persepsi pengurus pengambilan tentang nilai-nilai etika. Kajian ini adalah kajian permulaan dan akan mendedahkan objektif dengan menggunakan data primer melalui soal selidik sebagai cara kajian. Faktor-faktor demografik digunakan sebagai pembolehubah yang bebas dan persepsi pengurus pengambilan tentang kepentingan nilai-nilai etika sebagai pembolehubah yang bergantung kepada pembolehubah bebas. Data yang dikumpulkan telah dianalisis menggunakan 'Statistical Package for Social Science' (SPSS) versi 16. Analisis- analisis telah dibuat untuk deskriptif, faktor, reliabiliti, korelasi dan regresi. Tujuh hipotesis telah diuji melalui jawapan-jawapan responden daripada pengurus-pengurus pengambilan yang bekerja di syarikat-syarikat multinasional di Pulau Pinang. Daripada hipotesis-hipotesis tersebut mendapati umur, taraf perkahwinan, peringkat pengurusan/pekerjaan dan asal-usul geografi syarikat mempunyai perhubungan yang signifikan dengan persepsi pengurus-pengurus pengambilan tentang nilai-nilai etika. Sebaliknya, jantina, etnik dan taraf pendidikan tidak menunjukkan perhubungan yang signifikan dengan persepsi pengurus-pengurus pengambilan tentang nilai-nilai etika. Hasil kajian akan digunakan untuk mencadangkan tentang kepentingan nilai-nilai etika sebagai agen kelestarian untuk sesebuah organisasi.

ABSTRACT

This research studied the relationship of demographic factors such as age, gender, ethnic, education, marital status, managerial/employment level and employer's country of origin with the perception of hiring managers on ethical values. This research is exploratory and will reveal the purpose by using primary data through questionnaire as research methodology. The demographic factors were used as independent variables and the perception of hiring managers on the importance of ethical values as dependent variable. Data collected were analyzed using the Statistical Package for Social Science (SPSS) version 16. The analyses were conducted for descriptive, factor, reliability, correlation and regression. Seven hypotheses were tested with the respondents received from hiring managers who are from multinational companies in Penang. The hypotheses indicated that age, marital status, managerial/employment level and employer's country of origin had significant relationship with the perception of hiring managers on ethical values. On the other hand, gender, ethnic and education did not showed significant relationship with the perception of hiring managers on ethical values. The outcome of this research can be used to recommend to the organization about the importance of ethical values as an agent of sustainability to the organizations.

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CHAPTER 1

INTRODUCTION

1.1. Introduction

This chapter introduces the research outlines of the study. It illustrates the background of the study, problem statement, research objectives, research questions, significant of the study, definition of key terms and organization of the remaining chapters.

1.2. Background of the Study

People generally see ethics as giving us a standpoint from which to decide what is right and what is wrong and what we ought to do or ought not to do. According to Rowson (2006), ethics is not the only guidance to judge whether the behavior is to be acceptable or unacceptable but also to consider from the perspectives of law, social convention, professional codes of conducts, religious beliefs, politics and practicality. In organization, ethics is very important nowadays and many companies initiated their own codes of conducts. But the first step for the organization is to implement correct selection process so that they will select good prospective employees. This study focuses on hiring managers' perception of ethics as they are the one that have authority to hire or not to hire the prospective employees to the organization. Hiring manager plays an important role in selecting prospective employees. Choosing the right employee for the right position is always important to the organization. Why is it so important? Any mistakes in hiring or during selection of prospective employees, is expected to harm or damage the

organization. The recent issue in Malaysia would be the case of conglomerate Sime Darby Bhd. that remains unanswered, which finally admitted its energy and utilities division has suffered massive cost overruns. The CEO has to be asked to leave but why did the board of directors had been slow in getting the clues on this big mess that was taking place at the troubled division since few years back? Is it involve any malpractices? This is still under investigation by Public Accounts Committee (PAC).

According to Wang and Kleiner (2002), an employer can suffer indirect loss through employees with bad attitudes and therefore effective employment screening practices can help the employer to make the correct hiring decision that benefits both the employer and the employee. Hiring the right quality of the employees for the organization rationally will increase the companies stability, competitiveness, prosperity and sustainability. However the organizations have to find out generally the attributes of the right employees. How ethical the potential employees in providing their personal information in ensuring that they will be considered for the employment and the most important are their ethical values inside that can be transformed either through intention or action.

KPMG Malaysia recently published its Fraud Survey Report 2009 alerted on the rising trend in financial reporting fraud. With many cases reported on fraud and scandals, ethics become the word on many people's lip at the moment. So what is ethics? Chamber English as quoted by Orme and Ashton (2003) defines ethics as a system of morals and rules of behavior. Hiring the right employee who carries the high value system is important to reduce the risk and dishonesty. The selection criteria must consider future

performance and it has to be 'fit' between candidates and organization and according to O'Meara and Petzall (2009), it must be related to the personalities, beliefs and value-system of the candidates. As cited by Shwiff (2007), former Dial Corporation CEO Herb Baum wanted candidates with strong values and character as well as good credentials and he mentioned that substance and string character determine sustainability. Same to Jack Welch who led General Electric as CEO for 21 years and spent about half his time hiring and coaching his staff, to value integrity above all else (Collins, 2005). However how true of Hiring Manager put ethics as the most considerable factor compare to other such as knowledge and technical skills need to be studied. According to Templar (2005), as a manager, they must not do anything that is going to do harm, cause lasting damage, put anyone at risk but the most important is whether or not their role is clean. This is easily to put in words but in reality is it achievable? This study will first explore the perception of ethical values from hiring managers' perspective. Later, the factors that influence the perception of the importance of ethical values to be studied.

1.3. Problem Statement

Many cases of fraud and malpractices are never resolve but still occurring. These lead to the question why? Are employees well selected or trained to be ethical employees? Did the process of selection was properly done? But before the understanding of the selection process, the understanding of the ethical values of hiring manager is also important.

According to Orme et al. (2003, p. 184), various organizations have added ethical to their list of corporate values. In some organizations, policies have been drafted and codes of conduct agreed. Yet we still seem to be a long way from creating the perfect ethical workplace. We can have many ethics commissions, codes and guidelines, but there will still be people to cut corners. With this statement, we would like to see how Hiring Managers perceive the importance of ethical values. Schlegelmilch and Robertson (1995) as cited by Gbadamosi (2004) mentioned about individual's culture and the industry of his/her occupation have the strongest influence on perception of ethical issues.

According to Gbadamosi (2004, p. 1146), even if ethical decisions are similar, culture may affect the ethical reasoning. Ethical issues are relevant in decision making in every aspect of business i.e. in human resources, marketing, operations, finance etc. However the culture influences cannot be ignored. Gbadamosi (2004, p. 1145) also mentioned that cross-cultural comparison of ethics has gained significant ground in the literature due to the globalization, economic integration and internalization of businesses leading to an increase networking around the world, with the world now being referred to as a global village. The study of hiring managers' perception on ethical values is very important because the study need to examine the perception first and make the conclusion before we can talk about managing the ethical issues.

How to manage the ethical dilemmas is also another important aspect to be studied. Holian (2002) explained on the ethical dilemmas which involved conflict between personal values, maintaining working relationships and achieving organizational goals. To explain further, people usually refer to any situation in which they find it

difficult to make a decision as a 'dilemma'. It is between 'right against right' and it could happened because as earlier mentioned that ethics could be judged differently based on laws, social convention, professional codes of conducts, religious beliefs, politics and practicality. As example given by Rowson (2006, p. 19), "a police patrol stops a car for exceeding the speed limit. The driver is a father desperate to get his heavily bleeding child to hospital. Although the police officers are aware that what the father did was legally wrong, they think it is morally right to try to save a life and so they help him reach the hospital by driving ahead of him with lights and sirens going."

1.4. Research Objectives

The objectives of the study are:

1. To analyze the relationship between age and the ethical perception of respondents/hiring managers
2. To analyze the relationship between gender and the ethical perception of respondents/hiring managers
3. To analyze the relationship between ethnic and the ethical perception of respondents/hiring managers
4. To analyze the relationship between education and the ethical perception of respondents/hiring managers

5. To analyze the relationship between marital status and the ethical perception of respondents/hiring managers
6. To analyze the relationship between managerial/employment level and the ethical perception of respondents/hiring managers
7. To analyze the relationships between employer's country of origin and the ethical perception of respondents/hiring managers

1.5. Research Questions

In order to achieve the research objectives, this study will try to answer the following research questions based on the perception of hiring managers/respondents:

1. Will age influence the perception of ethical values?
2. Will gender influence the perception of ethical values?
3. Will ethnic influence the perception of ethical values?
4. Will education influence the perception of ethical values?
5. Will marital status influence the perception of ethical values?
6. Will managerial/employment level influence the perception of ethical values?
7. Will employer's country of origin influence the perception of ethical values?

1.6. Significant of Study

This study is important in order to understand and identify the importance of ethics in business, organization and community. Furthermore, it will share the current perception of hiring manager on ethics. This research will create awareness and also as a medium of education to individuals, organization and community about the importance of ethics for sustainability. Later, the recommendation for further research can be done after the completion of this research.

1.7. Definition of Key Terms

Key terms used throughout this research are defined below for ease of reference:

Ethics

Ethics is about fairness and deciding what is right or wrong.

Hiring Manager

Authorized or empowered person as company representative that can make the hiring decision or select the prospective employees.

Demographics Factors

For this research, the factors will be classified under two categories, either individual factors such as age, gender, ethnic, education, marital status and managerial/employment level or under contextual factor which is employer's country of origin.

1.8. Organization of Remaining Chapters

This research consists of five chapters. Chapter 1 discussed on the background of the study, problem statement, research objectives, research questions, significant of the study, definition of key terms and organization of the remaining chapters.

Chapter 2 discussed on the literature review which cover the seven independent variables with six are individual factors such as age, gender, ethnic, marital status, education and managerial/employment level. Another independent variable is contextual factor which is employer's country of origin. Only one dependent variable which is the perception of hiring managers or interviewers on ethical values. Theoretical framework and hypotheses were developed based on the literature review were also presented in this chapter.

Chapter 3 explained the research methodology used in this study. It outlines the introduction, research design, major variables of the study, samples and procedures, measures, questionnaire, method of data analysis and summary.

Chapter 4 presented the introduction, profile of the respondents, factor analysis, reliability analysis, descriptive analysis, correlation analysis and regression analysis. This chapter also explained the detailed analysis performed and the seven hypotheses testing with summary of finding, statistical results and relationship between variables.

Finally, Chapter 5 shared the discussion and conclusion. The findings from the study are discussed in the context of theoretical implication, implications for the policy makers. Any limitations observed are also reviewed with directions for future research.

CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

The literature review focused on the findings of the past studies and also to identify the knowledge gaps in the past studies. This chapter will first define the meaning of ethics. Secondly a review of literature on age, gender, ethnic, education, marital status, managerial/employment level and employer's country of origin is presented. Due to this research basically related to the hiring manager, the literature will also define the meaning of the hiring manager and their roles and responsibilities. Based on literature review, theoretical framework and hypotheses were developed and presented at the end of this chapter.

2.2. Ethics

As per National Integrity Plan (2004), the transformation towards a developed nation is not solely based on economic and technological progress. It also needs progress in social, cultural, intellectual and spiritual fields. To achieve these, the enhancement of ethics and integrity to ensure that they become part of the society's culture is absolutely necessary. Many people nowadays perceived that ethics is very important as according to Jeff Fettig, CEO of Whirlpool "having the right strategy is one thing, but having a company with the

right values, culture and capabilities is critical to a successful and sustainable enterprise". Again according to Jeff Fetting, ethics is explicit. Another quote from Dave Bernauer, former CEO of Walgreens stated that people sometimes look at things like trust and ethics and honesty as the soft side of business. They pay it lip service but they do not connect it with profitability. As quoted by Porrini, Hiris and Poncini (2009), the perception is wrong about not connected the ethics with profitability, and according to Dave Bernauer, ethics and trust are the core of business, essential to growth and productivity. It is not just as add-on the business. According to Valesquez (2002) as cited by Alas (2005), ethics is the discipline that examines one's moral standards or the moral standards of a society. Ethical means accepted standards in terms of one's personal and social welfare.

However not all people perceived that ethics is very important, the most important to them is what actually they can get. To them the proper way is irrelevant as long as they can materialized their ambition. As per online survey conducted by Sunday Star, 14 March 2010, about 24.2 percentage out of 1,678 respondents were willing to sacrifice the ethics as long as they can become millionaires. Another 32.8 percentage were not sure but the tendency to ignore ethics is quite high, at total of 57 percentage.

What is ethics? According to Connock and John (1995) as cited in Orme et al. (2002, p. 185), ethics is about fairness, and deciding what is right or wrong, about defining practices and rules which underpin responsible conduct between individuals and groups.

The existing literature in this area suggests that there are three possible approaches to ethics:

1) social ethics

An approach that came from Greek society and it is based on the Greek's idea of basic rules for civilized living, but which is different from one group or society to another. In business context, one organization may have different ethics practice or perception to another because of different set of values and principles.

2) transcendental ethics

It is rely on absolute right and wrong and a sense of justice, which is applied equally regardless of any social, geographical or cultural restriction.

3) tactical ethics

It is based on obeying rules or laws in order to avoid any penalties arising from their infringement. These ethics are usually practiced out of a convenience and self interest rather than a sense of right or wrong. Many people would consider that following the law is an example of being ethical.

Many views cynically that some current business practice seems to focus on using tactical ethics with the intention of being seen as an ethical company only if it brings the organization more customers.

Most companies like most people, would like to think of themselves as being ethical. Dealing with honesty, respectfully and honorably as they go about their business.

Infact ethics has quickly become a buzzword of business, almost as if it is some sort of added value. As in the case of Enrons and WorldComs whose wrongdoings have forced tougher governance to the companies in the US and elsewhere. The introduction of Sarbanes-Oxley Act 2002 was actually to enforce more right doings in the business. However we can have many kind of Sarbanes Oxley Act and as many ethics commissions, code and guidelines but there will still be people with the talent, determination and opportunity to cut corners. Morality means little to people who consider bending the rules is not as bad as breaking them. Legislation is not giving all the solutions. Tough as it will be, it is up to honest organizations to prove that integrity can lead to bottom-line results. That is why in selecting ethical employees is very important nowadays.

Another definition of ethics by McNutt and Batho (2005), the term ethics has generally concerned with what is good and bad, right and wrong in the decision making. Ethical issues are relevant in decision making in every aspect of business i.e. human resources, marketing, operations, finance etc. As per human resources perspective, the decision making of whether to hire or not to hire should consider ethical values of candidates or prospective employees.

Ethics is very important nowadays as organization needs to rely on certain values or ethics and without them, the organization might collapse. What had happened to Enrons and WorldComs, and in 2009 for the case of sub-prime issues example to Lehmans Brothers, businesses were not looking at ethical practices but the profit is the main objective hence ethics and values are the secondary factor only. However what happened in 2009 and to Enrons and WorldComs has opened the eyes to all especially to

the organizations and individual. As per report by World Economic Forum (2010), through opinion poll conducted by World Economic Forum via Facebook and reached over 130,000 respondents in France, Germany, India, Indonesia, Israel, Mexico, Saudi Arabia, South Africa, Turkey and the United States. Over two third of the respondents believed that the current economic crisis is also a crisis of ethics and values. The majority of respondents are under 30 years old and this opinion survey showed how they see the role of values in economy. About half of the respondents feedback that businesses should equally responsible to their shareholders, their employees, their clients and customers. This is how people now changing their perception towards ethics and values. And one question being posed through this opinion poll about 'What is the value that you consider the most important in your private and professional life?'. The respondents have given four choices like 'The impact of actions on the well-being of others, preserving the environment, preserving the environment, respecting others' rights, dignity and views and finally about honesty, integrity and transparency'. About 51 percentage of all respondents perceived that honesty, integrity and transparency are the values that most important to both private and professional life. According to Alberto (2010) in World Economic Forum, ethics in the post-crisis world must be rooted in placing the common good above individual ambition, in ensuring a government's right to regulate the economy and to provide basic services for all, and in promoting infinite benefits such as spiritual ones, over the consumption of finite, material goods. The ethics of a new project for civilization must incorporate environmental preservation into the concept of sustainable development, value solidarity economy and fair trade networks, and strengthen civil society as a regulator of government action.

In religion, we cannot deny the importance of ethics. As quoted by Cagrici (2010) in World Economic Forum, hundreds of verses in the Qur'an speak of friendship and brotherhood, integrity, forgiveness, self-sacrifice, patience, forbearance, gentleness, soberness, tranquility, circumspection, love, kindness, mercy and the virtue of sharing one's produce with others. This what has been explained in Islam. Other religions such as Christian, Buddha, Hindu etc are also speak up the same thing about the importance of values and ethics. Same thing if we look between cultures and civilizations.

Why ethics is very important? Imagine a world without ethics or nobody care about ethics, the sustainability of good practices will be always questionable. The decision would be based on 'what's in it for me?' According to Orme et al. (2002, p. 186), the ethics is very important. However ethics need a structure, they need a policy, a code of practice, or a cultural understanding of the rules, but this alone is not enough. They also need individuals who can differentiate between right and wrong, people who can make difficult decisions and are assertive enough to stand by the decisions they make.

Clearly the new era requires new methods of economic governance that combine effective state regulations with the encouragement of private enterprise and the development of human potential. Without a solid basis in values, however, any transformation of the existing socioeconomic model cannot be productive.

2.3. Studies in Demographics

According to Babakus, Cornwell, Mitchell and Schlegelmilch (2004), demographics have received limited attention in the past analyses on ethics. Some of the findings have been contradictory. However many analyses have been done towards age and gender related to ethics dimension. Age can be divided between younger and older group of people and according to Moyes, Williams and Koch (2006), respondents of 30 years old or younger at the time of survey are classified as the younger group who generally has less job experience. Hence, those with age more than 30 years are classified as older group who generally has acquired more job experience. Al-Shaikh (2002) mentioned that age and experience have influence in the ethical orientation. Hiring Managers can be grouped based on generational differences such as Baby Boomers, Gen-X and Gen Y. Baby Boomers actually those born between year 1946 until 1961, Gen-X who are born between 1962 until 1979 whereas for Gen-Y, those who are born between 1980 until 2000. If based on age, Baby Boomers are between the age of 49 until 64, Gen-X between the age of 31 until 48 and Gen-Y between age 10 until 30. According to Cennamo (2008), the generational or age has positive relationship with goals, expectations and work values. Babakus et al. (2004, p. 260) mentioned that younger respondents tend to view unethical behavior as more acceptable. Quazi (2003) noted that age is a strong predictor of ethical attitudes. However Callan (1992), Izraeli (1988) and Stevens (1984) as quoted by Marta, Singhapakdi, Attia and Vitell (2002) indicated that age factor to be insignificant relationship. They also mentioned that the correlation research on the relationship between ethics and age provides surprisingly mixed results.

Babakus et al. (2004, p. 260) mentioned that women have high tendency towards high ethical perception compared to men. Loo (2003) shared the same thing and indicated that women would have more ethical responses than men. Wickramasinghe and De Zoyza (2008) mentioned that gender had significant relationship with the competencies.

Ethnic relates to culture as to how the world is perceived and organized by a group of people. According to Hofstede (1984) as cited by Sadri and Rahmatian (2003) defines culture as “collective programming of the mind” and suggests that culture affects work-related values, attitudes and behaviors. Each culture includes a common code or language, a common heritage, history, social organization, set of norms, knowledge, attitudes, values, beliefs, objects, and patterns of perception that are accepted (implicitly and/or explicitly) by a particular group. Over the last few years, companies have begun to realize the far-reaching benefits of building a culturally diverse workforce. Since ethical perceptions are developed in childhood, the cultural and subcultural environments in which individuals are raised influence subsequent behavior in the workplace (McEwen, 2003) as cited by Peppas (2006). That is to say, business practices considered ethical by one subculture may not be viewed as such by another so that with greater diversity there is a greater likelihood that individuals working side by side may not see eye-to-eye when it comes to business ethics. In Malaysia context, Vision 2020 outlines nine challenges that Malaysia faces, of which the most important one is establishing a united Malaysian nation with a sense of common and shared destiny. The idea of shared destiny naturally leads to shared values. Asma (2001) as cited by Fontaine and Richardson (2005), for example, observes that “Malaysia has often been described as a minefield of cultural sensitivities due to its diverse and ethnic composition. Yet, Malaysians work in apparent

harmony and unity brought about by a few unifying factors, the most important of which are values that have stood the test of time.”

However the education does not give any significant correlations with ethical orientation. About education level, Rest and Thomas (1985) as quoted by Quazi (2003, p. 824), education level is also found to be a strong determinant in moral reasoning.

According to Wickramasinghe et al. (2008, p. 337), marital status have significant main effects in predicting competency needs. This explained of marital status had relationships with the competency. Married men or women always perceived have more responsibilities compare to single men or women. Swaidan (2003) as cited by Peppas (2006, p. 95) also mentioned about the significant relationship marital status with consumer ethics.

About managerial level or employment level, according to Quazi et al. (2003, p. 822) the higher job title was significantly related to ethical behavior, however according Babakus et al. (2004, p. 255) those with lower level in national sample of USA showed greater ethical concern for the 27 ethical belief statements.

Regarding employer's country of origin either Eastern or Western, according to Babakus et.al (2004, p. 260), the Islam and Eastern religion or countries indicate less tolerance for unethical practices. Vitel and Munchy (1992) as quoted by Babakus et.al (2004, p. 255) reported that US nationals are believed to be more unethical than did Egyptians. In Islamic and the Arab world (mostly at middle-east), teaching of Islam influence all aspects of life. Al-Shaikh (2002, p. 681) noted that the Muslim life is formed by Islamic values and norms.

2.4. Hiring Manager

Who are the hiring managers? Hiring Managers are those that can make a decision to hire or not to hire of their staff. The hiring manager could be from manager level, executive level, indirect personnel, direct personnel level or anyone that can make such a decision on hiring people. According Manshor, Jusoh and Simun (2002), hiring managers' role becomes critical where they must able to hire the right person for the right job. This is because an organization's success depends largely on its employees. Liker and Hoseus (2008) mentioned that every hiring decision should be taken seriously and hiring the right person, in the right amount, in the right form and at the right time is very important. It must be in a proper process for hiring process and hiring decision. With that, the selection criteria are the important to the hiring manager. Selection criteria are one outcome of the process of job analysis. According to De Ciere and Kramar (2005) as cited in O'Meara et al. (2009, p. 253), job analysis is the building block of every human resource activity. Job analysis identifies the knowledge, qualifications, skills, experience, abilities and competencies that a person needs to successfully undertake a specific role. The outcomes of the job analysis is useful to identify essential and ideal selection criteria that can be used as the basis of recruitment processes such as advertisement, interviewing questions and selection process. The selection criteria will be effectively done first through effective employment screening practices. Choosing the right employee is always important as employers are making a major investment in new employees well before employees can return the employer's investment. According to Wang et al. (2000, p. 73), if the screening of potential candidates have not been done properly and effectively, the hiring manager has tendency to make a deadly hiring mistakes such as hiring too quickly,

hiring by 'gut' feelings, hiring because of impeccable references, hiring because former employers had no criticism, hiring because the applicant 'aced' the interview, hiring because of an impressive resume and hiring just because applicant come highly recommended. To avoid the hiring mistakes, employment screening practices plays a crucial role to minimize the hiring mistakes and it includes pre-employment and post-employment screening. But for this research, the focus will be on before employment including during pre-employment screening and selection process.

Hiring manager will have their own preferences on the selection criteria. As per Peppas (2002), studied about 26 job selection criteria and compares the importance rankings of these 26 job selection criteria. There are age, appearance, assertiveness, community involvement, disposition, enthusiasm, extroversion, grades in graduate school, school reputation, hobbies, initiative, knowledge of company, leadership, loyalty, mannerism, marital status, maturity, motivation, oral communication, punctuality, school-age children, self confidence, sex, willingness to relocate, work experience and written communication. Based on this research, the most important is oral communication. However the mannerism was not perceived as very important in 2002. The mannerism was not in top five selection criteria perceived as the most important.

But very few researches actually emphasis ethics as the main consideration and ethics is not mention clearly but more focus to values. Actually ethics is one of the values and it is very important for the sustainable organization. Organization should focus on hiring people whose values are aligned with those of the organization. An organization can teach skills but cannot teach values. What are values? According to McGuire,

Garavan, Saha and O'Donnell (2006), values are difficult to define because it is share similar characteristics with concepts such as attitudes, preferences and viewpoints.

CHAPTER 3

METHODOLOGY

3.1. Introduction

This research is exploratory research in nature since none of research found on assessing perception of hiring managers on ethical values. Survey method was the basic design for this study. The nature of this study is descriptive research since it is undertaken to ascertain and describe the variables that lead to selection of ethical candidates. Data were collected from the drawn sample and statistically processed. The population of this study was the hiring managers in Penang. Quantitative data were gathered through a convenience sample survey research.

3.2. Research Design

Total sampling under analysis must be more than 100. The rule of thumb for determining sample size to be larger than 30 and less than 500 are appropriate for most management research, as cited in Sekaran (2006). For the purpose of this study, hiring managers from multinational organizations in Penang have been chosen.

Primary data were collected through distributing questionnaires to the hiring managers of the organization. The hiring managers could be anyone that could make a decision whether to hire or not to hire regardless of their employment level. The target respondents were the person who are directly involve in hiring process and decision

making in selection of the prospective employee. Questionnaire was used to collect data for this study. The purpose of this study is descriptive in nature, therefore a quantitative instrument was used and appropriate. Furthermore, questionnaire will be the most economical. The questionnaire comprised of two sections i.e. Section A – Demographic Data and Section B – Personal Ethics Assessment. Section A consisted nine questions and Section B with twelve questions. This research used quantitative method and target of the respondents were set at 100 respondents from manufacturing companies in Penang.

3.3. Major Variables of Study

This research was designed to empirically test the research model developed in *Figure 1*. The theoretical framework examines the relationship whether the personal ethics assessment of hiring manager is related with the seven identified independent variables, (refer Figure 1):

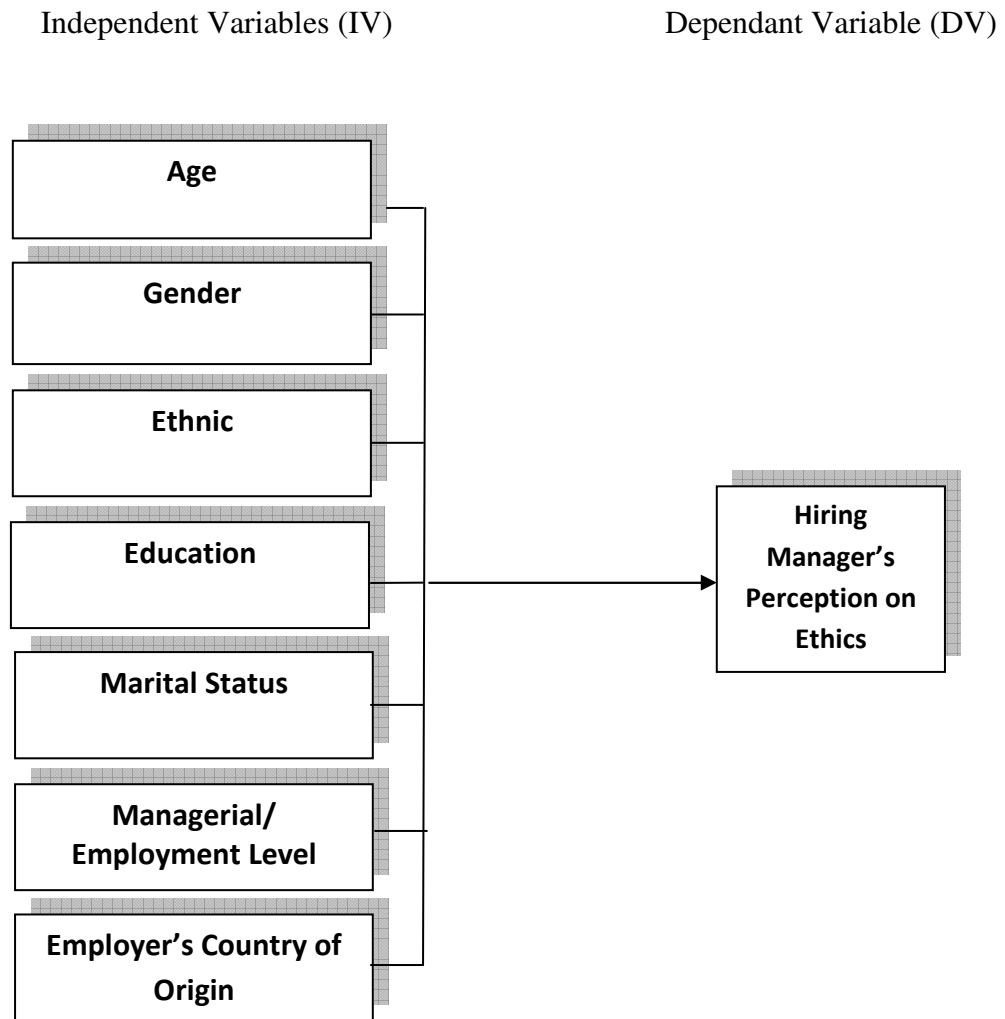


Figure 1: Theoretical Framework