



STUDY ON INVESTMENT PATTERN OF WOMEN EMPLOYEES IN CHENNAI

S. Tamilarasi¹, V. Renuka²

Article History: Received: 12.03.2023

Revised: 29.04.2023

Accepted: 28.05.2023

Abstract

Globalization and foreign direct investment are essential components of all economies, either established or still developing. Few important characteristics now play an important role in the development of developing economies. These elements supply every country with fresh talents and items, as well as easy access to markets and technology. Today, every country in the planet is looking for foreign or international investors. According to current trends, India is only second to China in terms of preferred investment destinations. People's social and demographic characteristics, as mentioned below, are primarily responsible for the emergence of investment possibilities. Needs are divided into two categories: protection and investment. The term "protection needs" refer to the requirements that must be met first and foremost to protect investors' living standards, present needs, and survival requirements. Protection needs include the need for regular wages, retirement income, and insurance coverage. Additional financial needs that must be met through saving and investment are referred to as "investment needs". These are requirements for children's education, housing, and professional development. The study focuses primarily on the investment habits of women employees in Chennai.

Keywords: Investment, Needs, Women, Employees, and Savings.

¹Assistant Professor, Department of Commerce, FSH, SRMIST University in Chennai, Tamil Nadu, India

²Research Scholar, Department of Commerce, FSH, SRMIST University in Chennai, Tamil Nadu, India

DOI: 10.31838/ecb/2023.12.s3.690

1. INTRODUCTION

The first step in investing is to assess the investor's cash needs, risk tolerance, and expected returns. The ten best investment alternatives in India are listed below, all of which guarantee a secure and sufficient returns. Fixed Deposits typically yield 8.5 percent of annual profits, depending on the bank's requirements, making them a popular and safe investment option. The shortest FD term is 15 days, and the longest FD tenure is 5 years, with occasional cases exceeding 5 years. On Fixed Deposits, senior individuals are eligible to a special rate of interest. National Saving Certificates (NSC) are backed by the Indian government, making them a safe investment with a 6-year lock-in term. The investor is entitled to 8.16 percent calculated interest. National Saving Certificates are eligible for tax relief under Section 80C of the Income Tax Act, and the interest earned, and the investment amount can be deducted up to Rs 1,00,000. Public Provident Fund (PPF), like NSC, is backed by the Indian government. In a fiscal year, a minimum investment of Rs 500 and a maximum investment of Rs 70,000 can be made. A prospective investor can open a PPF account at a GPO or head post office, as well as any State Bank division. PPF contributions are also tax deductible under Section 80C of the Internal Revenue Code. As a result, investors may be eligible for a tax deduction of up to Rs 1,00,000. The rate of interest on PPF is reviewed every year, with a maximum lock-in period of 15 years. In PPF, the basic rate of interest is 8%. The Gold Deposit Scheme, which is run by SBI, was established in 1999. Trusts, businesses, and HUFs can invest in this plan, and there is no maximum limit on the amount they can invest. The investor can deposit or invest a minimum of 200 kilos in exchange for gold bonds that pay a tariff-free rate of interest of 3% to 4% over the bond's term, which ranges from 3 to 7 years with a lock-in period of 3 to 7 years. Gold bonds are exempt from capital gains and wealth

taxes. In 2010, the calculated realty demand for the IT/ITES business in Indian cities was expected to be 150 million square feet. The real estate market in India, dubbed the "money creating industry," offers annual profit of 30 percent to 100 percent through real estate investments. Apart from the above-mentioned traditional investing outlets, employees who possess knowledge and understand the investment climate have a plethora of other investment options. As a result, employees can save money and invest in investments that are appropriate for their short- and long-term objectives. The goal of this study is to learn about the investment patterns of women employees.

Review of Literature

Brooke Harrington (2012) investigates the large migration of Americans into investing throughout the 1990s as a result and cause of contested power between businesses and individuals in his study. This movement fit into a larger historical pattern of economically weak individuals solidifying their power through financial associational techniques. The chapter uses the example of US investment clubs to highlight the bilateral power structure of modern capitalism, in which market institutions and tiny groups at the grassroots level mutually influence one another. While the investment club movement was partly a reaction to corporate and political elites' economic dominance also spurred genuine power transfers between individuals and businesses.

In her analysis, **Radhika (2012)** stated that the Indian capital market has achieved significant growth since independence. However, the business sector has not raised a significant amount of capital in the form of equities, preference shares, and debentures in recent years. Since 1975, there has been an upward tendency, but the growth has not been significant. The Indian capital market grew at such a rapid pace in the 1980s that the decade dubbed "the Capital Market Decade." The primary and

secondary markets grew in leaps and bounds during the latter half of the 1980s. This is demonstrated by the fact that in 1992-93, compared to an annual average of just Rs. 90 crores raised from the new issue market in the 1970s, around Rs. 27,344 crores were raised. Total capital issues in the private and public sectors for the years ended March 31, 1991, 1992, and 1993 were Rs. 9,683 crores, Rs. 13,450 crores, and Rs. 27,344 crores, respectively. The total number of public securities issuances for the years ended March 31, 1991, 1992, and 1993 was 335, 572, 1,036 correspondingly. Individual and institutional investors, non-resident Indians, international institutional investors, and mutual fund investors all subscribed to these issues, and the public response was enormous, with the issues being repeatedly oversubscribed.

B. Thulasipriya (2014), in her study mentioned that salaried people save for their future. They invest their savings in a variety of investment avenues. Majority of them prioritize investment safety over high returns. According to the study, bank deposits are still the most popular investment options for households. The findings also show that certain factors such as education level, age of investors, number of family members, and so on have a significant impact investment decision. The current study is based on primary data collected through the distribution of a closed-ended questionnaire. The chi-square test was used to analyze the data. According to the research, many respondents are saving money in bank deposits for security of the uncertain future. The primary avenues of investment are bank deposits, and the primary purposes of investment are children's education, marriage, and their own retirement security.

Ramanathan, K. V., & Meenakshisundaram, K. S. (2015), - financial investments are commitments made with any financial or non-financial instrument in the hope of a better and more profitable return in the future which can be

used to fulfill a specific goal. Based on the risk-return profile of the products, financial and non-financial products serve as an avenue for investment and provide security to respondents. One must choose the most appropriate and best investment option from the available options. The person investing should be aware of all investment options and the means to choose the best option to achieve the goal. The current study attempts to examine the impact of selected demographic factors such as age, gender, marital status, educational qualification, occupation, and income level of respondents working in a bank on their investment preferences for products such as Real estate, Gold / Jewellery, Bank deposit, Government bonds, Share market, Commodity market, Mutual fund, Life insurance policies, and Post office savings. Furthermore, to determine the significance of demographic factors of respondents on investment decision, elements such as investment period and information source are also taken into consideration. The information was gathered using a structured questionnaire and analyzed with the percentage, chi-square test, and Karl Pearson's correlation coefficient. The findings indicate that many respondents are saving money for their safety and will serve as a guide for personal finance and investment.

Jain, R. (2014), The research study is based on an analysis of the respondents' income and investment patterns, which are working women in Ahmedabad. The goal of this study was to determine the relationship between respondents' income and their investment patterns. The study focused on working women from both the public and private sectors in Ahmedabad. A structured questionnaire was distributed to 250 respondents to collect data. It was discovered that many of them preferred to invest their savings in bank fixed deposits for the security of a volatile future, followed by investment in gold. The most significant impact on savings is due to an increase in income over the last decade.

Objectives of the Study

The objectives of the study are:

- To investigate the wage levels of employees in various organizations.
- To learn about the investment habits and elements that influence female employees.
- To investigate the traditional investing pattern and its impact on the savings and investment behaviour of female employees.
- To raise the degree of awareness among female employees on the available investment options.
- To investigate how the well-informed female employees regard investment opportunities in the capital market.
- To draw attention to the difficulties encountered by female employees in identifying suitable investment opportunities.
- To provide proper investment strategies for various types of female employees.

2. RESEARCH DESIGN AND METHODOLOGY

A research design is a set of decisions on what, where, when, how much, and how it will be done. A research design is the set of settings for data collection and analysis that seeks to balance relevance to the inquiry with procedural economy. In truth, the research design is the conceptual framework for conducting research; it is the

blueprint for data collection, measurement, and analysis. This study was conducted using a descriptive research design. The survey is being carried out among female employees in the Chennai area. The required data was collected through the structured questionnaire administered to a sample of employees. Primary data was collected through a questionnaire survey. The respondents were asked to give their opinion related to the major investor group elements. Considering the practical difficulties of the study the sample size was decided initially as 150 women employees in Chennai city. **Convenience sampling** method has been adopted. However, care was taken to include employees of various sectors, income groups and regions in the city. The report is divided into various chapters such as introduction, review of literature, investment avenues in India, analysis, interpretation and summary of findings, suggestions, and conclusion.

Data Analysis and Interpretation Factors Influencing Employees Perception towards Savings and Investment

The working women investors are requested to express their perception towards savings and investment. Their responses are obtained in Likert's 5-point scale which range from strongly agree to strongly disagree. Eleven statements have been presented to them to obtain responses suitable for investor groups. Factor analysis, (the principal component method) is applied and the following results are obtained.

Table 1: KMO and Bartlett's Test for Investor Perception

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.816
Bartlett's Test of Sphericity	Approx. Chi-square	1201.00
	df	55
	Sig.	0.00

Source: Computed data

From the above table it is noted that Kaiser–Meyer–Olkin measure of sampling adequacy was 0.816, Bartlett’s test of sphericity and Chi-square value is 1201.00 which are statistically significant. This shows that the employees perception

obtained from 150 samples significantly explain the data reduction process through factor analysis. The following table gives the number of factors deduced into 2 predominant factors.

Perception	
1.	Betterment of servicing to investors attract more investors
2.	Consultants play a vital role in mobilizing the savings of people
3.	Post offices play an effective part in mobilizing small savings particularly from the middle and poor classes in the rural areas
4.	Investment tenure is very significant in deciding the return
5.	PPF is really helping the unorganized sector
6.	Range of portfolio of investment to be increased to minimize risks and maximize returns
7.	Bank is a better place of investment than other investment avenues
8.	Household savings help in the economic development of the country
9.	Govt. can give tax exemptions for all long-term investments
10.	All Indians are having good savings habit
11.	Women employees are very keen in their savings and investment.

Table 2: Variance Table

Component	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cum. %	Total	% of Variance	Cum. %	Total	% of Variance	Cum. %
1	3.831	34.828	34.828	3.831	34.828	34.828	3.461	31.461	31.461
2	1.724	15.675	50.502	1.724	15.675	50.502	2.095	19.042	50.502
3	0.954	8.673	59.175						
4	0.807	7.336	66.511						
5	0.618	5.614	72.125						
6	0.596	5.417	77.542						
7	0.587	5.341	82.882						
8	0.583	5.304	88.186						
9	0.523	4.756	92.942						
10	0.47	4.274	97.216						
11	0.306	2.784	100						

Source: Computed data - Extraction Method - Principal Component Analysis

From the table it is found that the two Eigen values 3.461 and 2.095 along with individual variances 31.461 and 19.042. The total variance explained by the 8

variables of perception about investor groups is 50.502 which are statistically significant. The two factors deduced so far are loaded with certain variables as shown

in table below.

Table 3: Variable Loadings

Responses	Component	
	Investment Culture	Investment Attitude
IP6	0.532	
IP5	0.578	
IP7	0.590	
IP8	0.641	
IP4	0.646	
IP3	0.706	
IP2	0.729	
IP1	0.743	
IP9		0.670
IP10		0.811
IP11		0.859

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. A Rotation converged in 3 iterations.

From the above table it is identified that the first factor consists of eight variables namely:

- Range of portfolio of investment to be increased to minimize risks and maximize returns (0.532).
- PPF is really helping the unorganized sector (0.578).
- Bank is a better place of investment than other investment avenues (0.590).
- Household savings help in the economic development of the country (0.641).
- Investment tenure is very significant in deciding the returns (0.646).
- Post offices play an effective role in mobilizing small savings particularly from the middle and poor classes in rural areas. (0.706).
- Consultants play a vital role in mobilizing savings of people (0.729).

- Betterment of servicing to investors attract more investors (0.743).

Therefore, the first factor is named as '**Investment Culture**'.

The second factor consists of three variables namely:

1. Government can give tax exemption for all long-term investments (0.67).
2. All Indians are having good savings habit (0.811).
3. Women employees are keen in their savings and investments (0.859).

Therefore, the second factor is named as '**Investment Attitude**'.

It is concluded that the perception of investors towards savings and investment is based on the investment culture and habit.

Suggestions

The following suggestions are based on the findings of the study:

- Investment risks must be reduced, resulting in increased investment by

- senior personnel.
- Employees must be made aware of numerous investing options and their relative pros and cons.
- Working women investors must be informed about the various investment options.
- Investors require more information to make investments in various avenues. Accordingly seek guidance / assistance before taking investment decisions.
- Employees' knowledge on online investments can be boosted by providing them with regular SMS / mail updates.
- Around 47% of women employees are classified as non-committed, so other employees should use various motivational techniques to help them become dedicated to investments.
- Employees should focus on medium-term investments rather than long-term or short-term investments.

4. CONCLUSION

Employees have demonstrated that they are following sound investment policies and are satisfied with their investing practices. According to the study employees not only contribute to the success of their respective organizations with persistent efforts, but they also contribute to the growth of the national economy by saving and investing in a variety of investment opportunities. Better understanding and awareness of new and innovative investment outlets, such as commodity market investment, futures and options, and other financial products, could help to build this habit and attitude. This will improve the economy in general and provide more revenue to working women investors especially a higher yield.

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