

A STUDY ON THE INVESTMENT BEHAVIOUR OF SALARIED WOMEN EMPLOYEES IN KOZHIKODE, KERALA

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Abstract

Earlier in India, men were the only breadwinners in the family and women were engaged in the household activities. Only few women were educated and took up economic activities. But the situation has completely changed after 2000's and women also started earning income. This increased their investment ability. But majority of women restricted their investment in the secured assets only. Majority women believe that purchase of gold and land are the two of the most ideal forms of investment. It carries good return and appreciation. This confirms that those Indian investors, even if they have high income, are well educated, salaried, independents are conservative investors prefer to play safe. The present study tries to find out the reason for such investment behaviour of the salaried women employees with special reference to Kozhikode, Kerala.

Introduction

Traditionally, women have generally been more resistant when it comes to financial investments. They are more cautious when it comes to money. The new women investment clubs take the fear out of investing for women. Saving is a habit especially embodied to women. Even in the past, when women were mainly depended on their spouse's income, they used to save to meet emergencies as well as for future activities. In those days, women did not have any awareness about various investment outlets. The scenario had totally changed, now, the women, who are equally employed have knowledge about various aspects of investment and as a result they invest in various investment avenues such as shares, debentures, mutual funds, commodities and bank deposits.

Moreover, the general profile of women investors is changing in tune with time. But they lag in various spheres of investment such as awareness and preference of investment. Employed women have a greater propensity to save and invest because of their independent earning power. They are also motivated by the investment behaviour of their colleagues in their work place. They are supposed to be risk-averse, safety oriented and guided by certainty of returns. With increasing level of knowledge and awareness, women are slowly participating in the risk investment portfolios and they are becoming analytic in their investment behaviour. The investment behaviour of the women investors is analysed in this research using the data collected from the respondents.

Role of Women in Socio-Economic Growth

The status of women in India has been subject to many great changes over the past few millennia. Equal status with men in ancient times through the low points of the medieval period, to the promotion of equal rights by many reformers, the history of women in India has been eventful. In modern India, women have adorned high offices including President, Prime minister, Speaker of Lok Sabha, etc. In India, traditionally men have been the breadwinners whereas women typically ran the household and saved for the rainy days. This was the scenario until women started working and took the command of financial matters. Today

holds the key to happiness; hence women should plan their finances and investment well. Women have to save on a regular basis and the smallest of the surplus income they like to invest prudently. The role of women has changed from “Savers to Investors”. Most of the working rural women have regular income because they work on the basis of wages. Savings are seen as insurance against foreseeable future difficulties which are completely unpredictable. Therefore women investors insure themselves against future risks by saving in the form of various investments such as deposits, gold, lands, and herds or by hoarding money.

Women’s stepping out of the confines of the households multiplied their roles and responsibilities. They have to shoulder their domestic responsibilities as well as perform in the professional arena. But the balance between the two fronts is guileful exercise. In India, social evils and a rising rape rate are confronting women in urban and rural areas, regardless of which political party is at the helm. Women are not being given a chance to become stronger in the political sector. The Women’s Reservation Bill of 2013 is being vociferously opposed on the grounds that it will deny opportunities to persons of other groups. When it comes to legislation which aims to reduce gender inequity, India has a long way to go.

Literature review

Thulasi Priya, (2015) For creating appropriate investment involving both risk and return, the investor needs to have a detailed study of the alternative financial investment avenues of investment, their risk and return features and make proper predictions or expectations of his preferences. Velmurugan, Selvam, (2015) Many individuals think investments to be fascinating because they can contribute to the decision-making process and check the results of their choices. All investments are not profitable, as investors do not continuously make the correct investment decisions. Investing is not a game but a serious issue that can have a major influence on the investor's future well-being. Practically everyone makes investments. Even if the individual does not choose definite assets such as stock, investments are still made through participation in pension plan, and also on employee savings program or through obtaining of life insurance or home or plot. Hoffman, Shefrin and Pennings, (2008) had conducted a study on Behavioural Portfolio Analysis of Individual Investors. The main content of the research was to identify the investment objectives and investment strategies of various investors. The authors had used a survey to measure the Behavioural tendencies and psychological biases of investors. Data was acquired on a variety of variables such as – investment objective, investment strategy, ambition level, risk profile, and investor sophistication. It was concluded that investors comparatively preferred more of fundamental analysis of investments as compared to technical analysis.

Objectives of the Study

- ❖ To analyse the investment behaviour of salaried women employees in the study area.
- ❖ To identify the various factors affect the investment decision of salaried women employees in the study area.
- ❖ To offer valuable suggestions on the basis of findings.

Hypotheses of the study

H₁: There is no significant association between the investment behaviour and the age of the respondents.

H₂: There is no significant association between the investment behaviour and the marital status of the respondents.

H₃: There is no significant association between the investment behaviour and the educational qualification of the respondents.

Research Methodology

A descriptive study was conducted for the purpose. The study is general in nature and the salaried women employees were selected from Kozhikode District in Kerala. The target population for this study consisted of all salaried women employees working in private, public sector and government enterprises in Kozhikode District in Kerala. Both primary and secondary data were used for the study. In this present research, *a multi stage stratified random sampling method* will be adopted. Because, due to the large population of working women in the selected study area it was difficult to select the sample.

- ❖ *In the first stage*, the researcher will divide the taluks in Kozhikode district namely Kozhikode Taluk, Quilandy Taluk, Vadakara Taluk and Thamarassery Taluk
- ❖ *In the second stage*, the researcher go through the total population in these taluks with the help of census report 2011.
- ❖ *In the third stage*, the researcher identifies Kozhikode taluk which is the highest population in the study area.
- ❖ *In the fourth stage*, The Kozhikode Municipal Corporation is divided into 59 wards, out of that every 9th ward has been selected from the list of wards of Kozhikode district given by census population, India 2011. This was selected at random. Thus 6 wards were selected for the purpose of the study.
- ❖ *In the fifth stage*, the researcher selected only the salaried women employees those who are paying income tax.
- ❖ *In the last stage*, the researcher identified 210 salaried women in the city. Of the 210 questionnaires, 150 filled forms were returned, representing 71.42 per cent response rate that is considered an acceptable level of response rate in this type of research.

Analysis and Interpretation of data

1.1 Age and investment behaviour (cross tabulation)

Count		INVESTMENT BEHAVIOUR			Total
		LRP	MRP	HRP	
AGE	BELOW 25	6	17	4	27
	26-35	10	28	21	59
	36-45	11	18	4	33
	46-55	6	13	2	21
	ABOVE 55	2	8	0	10
	Total	35	84	31	150

Source: Compiled from SPSS Results

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.230 ^a	8	.039
Likelihood Ratio	17.565	8	.025
Linear-by-Linear Association	3.347	1	.067
N of Valid Cases	150		

a. 4 cells (26.7%) have expected count less than 5.

The minimum expected count is 2.07. Source: Compiled from SPSS Results

From the table above it can be revealed that there is a significant association between the age and investment behaviour. Chi Square Value (8) = 16.230, P < 0.05 (P value is .039). Hence, it is accepted that there is a significant association between age and investment behaviour.

1.2 Marital status and investment behaviour (cross tabulation)

Count		INVESTMENT BEHAVIOUR			Total
		LRP	MRP	HRP	
MARITAL STATUS	SINGLE	10	20	11	41
	MARRIED	21	55	17	93
	WIDOW	4	9	3	16
	Total	35	84	31	150

Source: Compiled from SPSS Results

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.45 ^a	4	.001
Likelihood Ratio	16.05	4	.008
Linear-by-Linear Association	3.04	1	.281
N of Valid Cases	150		

a. 2 cells (22.2%) have expected count less than 5.

The minimum expected count is 3.31. Source: Compiled from SPSS Results

Above table shows the significant relationship between the marital status and investment behaviour and the results are as follows. Chi Square Value (4) = 16.45, $P < 0.05$ (P value is .001). Hence, the alternative hypothesis is accepted that there is a significant relationship between marital status and investment behaviour.

1.3 Educational qualification and investment behaviour (cross tabulation)

Count

		INVESTMENT BEHAVIOUR			Total
		LRP	MRP	HRP	
EDUCATION	Below Graduate	1	6	0	7
	Graduates	18	45	22	85
	Professionals	8	11	2	21
	Post-Graduation and Above	8	19	7	34
	Others	0	3	0	3
	Total		35	84	31

Source: Compiled from SPSS Results

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.856 ^a	8	.275
Likelihood Ratio	12.236	8	.141
Linear-by-Linear Association	.348	1	.555
N of Valid Cases	150		

a. 8 cells (53.3%) have expected count less than 5. The minimum expected count is .62. Source: Compiled from SPSS Results

The table reveals the significant relationship between the educational qualification and investment behaviour and the results are as follows. Chi Square Value (8) = 9.856, $P < 0.05$ (P value is .275). Hence, the hypothesis is accepted that there is no significant relationship between educational qualification and investment behaviour.

Table – 1.4 Factors influencing investment decision

Particulars	Mean	Std. Deviation
Guaranteed returns	3.87	.93167
Expected return on investment	3.73	1.18529
Safety related to investment	3.72	.68215
Opinion from professional colleagues	3.70	.57541
Family Members	3.68	.70155
Friends/Relatives	3.67	.47298
The minimum amount required related to affordability	3.60	.80268
Reputation of a company in domestic market	3.59	.71419
Past performance of the firm	3.58	.62031
Income tax deduction benefit	3.54	.71419
Opinion from existing investors	3.53	.88740
Risk-return trade off	3.53	.72043
Conversation with company executives and sector experts	3.47	.50056
Liquidity related with investment	3.47	.88740
Corporate forecast prepared by independent investment Company	3.40	.61306
Preferred time horizon of investment	3.33	.87214
Recent price movements in firm's stock/NAV	3.28	.83546
Financial press and Newspapers	3.27	.68215
Diversification needs	3.25	.57541
Company's contribution to society	3.21	.54342
Study the portfolio investment of other market players	3.20	.91226

Financial advisors/Broker and analyst's recommendation	3.07	.85661
Rating agencies reports	2.87	.80824
Financial statement of the company	2.48	.80824
Annual Reports	2.02	.57541

Source: Primary data

Out of the 25 variables guaranteed returns are the main factor influencing an investment decision and 3.87 is the mean value and they stated that it significantly influences their investment decision. Expected return on investment is the second factor influencing in financial decision making and its mean value is 3.73 and the respondents stated that it most significantly influencing them. Safety of investment comes in third place followed by opinion from existing investors. Opinion from professional colleagues in the fourth influencing factor for taking financial decision. Family members, friends and relatives and liquidity related to investment scored a mean score of 3.68 and 3.67 respectively. The minimum amount required related to affordability Reputation of a company in domestic market comes in the 7th and 8th position. Past performance of the firm got a mean score of 3.58. Income tax deduction benefit came in the 10th position only. Study the portfolio investment of other market players, financial advisors/Broker and analyst's recommendation, rating agencies report, Financial statement of the company and Annual Reports in the last five positions on the basis of mean score which are the least influencing factor while taking financial decisions. To conclude out of total respondents majority states that, the above variables significantly and most significantly influence the investment decision as the mean score is more than 3 for all variables expect last 3 variables. Out of that, guaranteed returns are the most influencing factor while Annual Reports are the least influencing factor.

Major Findings

- Investment behaviour of the individuals' changes with the passage of time. In the younger age people are willing to invest more compared to the old age. In the survey 57.3 percentages of the respondents belong to below 25 and 26 – 35 age category. 33 per cent belongs to 36 – 45 age category and 21 per cent come in 46 – 55 category only 6.7 per cent comes in above 55 years category.
- Before marriage they can take a sole decision but after marriage the expenditure and family responsibility will also affect the investment behaviour. From the response collected it was found that 27.33 percent of the respondents are single while 10.67 percent is widow. Majority of the respondents i.e., 62 percentage are married.
- In the case of investments held by respondents, 95 percent invested in bank deposits, 94 investments in insurance, 91 percent investments in gold. The least investments made by the investors in equity shares (16%), bonds and debentures (13%), real estate (13%), chit funds, gold funds, commodities (11,4,and 1 percentage) respectively.
- In the case of investment awareness and investments held by women's, bank deposits, insurance, gold, provident fund, post office savings, etc were most familiar and they were invested according to it. Likewise, Mutual funds, real estate were known to them, but their investment behaviour is comparatively very less. In the case of equity shares, chit funds, gold funds and bonds and debentures, the average percentage of familiarity is 45.23%, but women's are not at all willing to invest in such avenues as these investments are subject to high market risk.
- According to the respondents review with regard to risk level of investment avenues, they ranked 1 to bank deposits and they consider it as no risk, followed by post savings as rank two, insurance as third, life insurance in fourth position, and from the

last ranked avenues are treated as high risk, such as, XII rank gives to equity shares, because it is subject to market risk and may face future losses, XI ranked as Mutual funds and in commodities, it is ranked as X. This indicates that the women are less involved in the capital market transactions and they treat them as very risky and they are sticking on to the conventional or low risky ventures.

- In case of factors influencing investment decisions guaranteed returns are the main factor influencing an investment decision and 3.87 is the mean value and they stated that it significantly influences their investment decision. Expected return on investment is the second factor influencing in financial decision making and its mean value is 3.73 and the respondents stated that it most significantly influencing them. Safety of investment comes in third place followed by opinion from existing investors. Opinion from professional colleagues is the fourth influencing factor for taking financial decision

Suggestions

- From the study, it was found out that investment in the capital market securities was very low among women and hence it is suggested that SEBI should have a regular motivation programme and awareness to encourage investment habits among the women.
- The women investors must try to find the simple investment plans designed by the investment companies which easy to understand and invest.
- Investment companies should give special emphasis to attract women investors and regular monitoring of their investment pattern are also to be made.
- The study identified that most of the salaried individuals have preferred to invest in less risky schemes, the salaried investors should make investment in other investment avenues including tax-sheltered schemes.
- The organisations have to support, inventive thinking and must make use of fresh ideas in framing and designing investment schemes for women investors.

Conclusion

Salaried women employees prefer to play safe even though they state they are ready to take risks while taking investment decisions. Although they claim to enjoy financial independence, they are dependent on factors like family, friends and family size. They are also reluctant to take risk and thus majority adhere to the moderate risk portfolio. Most of the investors' fancy bank deposits, post office schemes and insurance as investment opportunities. They are extremely contented with the safety of their investment, consistency of return, liquidity, low risk, capital appreciation, tax benefits and enhancement of their social status. They exhibit less interest in the field of capital market; therefore, more awareness and favourable schemes for women have to be launched to attract women to the field.

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