A STUDY ON INVESTMENT PATTERN AND BEHAVIOUR OF WOMEN EMPLOYED IN PRIVATE COMPANIES IN BANGALORE

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ABSTRACT Investment is an economic activity of putting to productive use the money saved, to earn a reasonable return on the funds instead of keeping it idle undertaking a reasonable level of risk. The researcher proposes to conduct a study on investment behaviour of women employees working in private companies and develop a simple model involving a few demographic variables. The objective of the study is to find out the awareness level and the motives behind investment of women employees in private companies. The study is descriptive in nature. The researcher proposes to use statistical tools for analysis. From the study the researcher wants to understand the awareness level, purpose of investment and the perception about investment with regards to women employees especially in private companies.

1.1 INTRODUCTION

The status of women has undergone a tremendous change over the last three decades. She's been considered equal to men folk in earning a living, raising a family, doing all external works in addition to the house hold chores, taking decisions be it social, political or financial decision. As women, have slowly taken to employment in various sectors, they have started taking important decisions relating to investment as well. Many working women save funds which are invested in various investment avenues which in turn leads to capital formation in the economy and growth of the nation.

Investment in general means putting the funds saved to some fruitful earning opportunity. It means investing the investible surplus that is left over after meeting all the necessary expenditure. Investment is an important economic activity of the country which basically stems from income and savings and stimulates capital formation in the nation. Higher the income, higher will be the savings and higher can be the investment. Investment is an act of investing one's money in some profitable opportunity in such a way that risk and return are optimised. It is both an art and science and taking an investment decision can be an enjoyable experience or a painful dilemma. The whole gamut of investment management revolves around 4Ws and 1H that is when to invest, where to invest, why to invest and who should decide the avenues and how much to invest. Investment is an activity of creating wealth and is an activity which should be exercised with absolute caution.

Investment is commitment of funds in the purchase of financial instruments and other asset classes today to generate income in the future.

According to Warren Buffett, "Investing is often described as the process of laying out money now in the expectation of receiving more money in the future."

According to Investopedia, "an investment is the purchase of goods that are not consumed today but are used in the future to create wealth."

1.2 OPERATIONAL DEFINITION:

Investment means employing surplus funds into some opportunity that would fetch the holder a return of the principal amount and the return. According to the researcher investment starts when an individual has income, saves a portion of it, has awareness about the various investing opportunities available, has intelligence to analyse them and then chooses the best alternative based on one's motives, purpose, needs and wants.

1.3 AVENUES OF INVESTMENT

A person starts investing as soon as he or she takes up an employment. In the initial stages of career, it could be a hand to mouth existence resulting in very less savings and in turn literally less to no investment. Practically investment starts materialising only after the person has surplus funds after meeting her normal and unusual expenditure. Investment started at a younger age helps in building a huge corpus for future. Investment should become a habit for the individual. A small amount saved and invested on a periodical basis would grow into huge corpus in the future. Benjamin Graham (The Intelligent Investor Revised Edition Printed in 1973) says that an intelligent investor is one who is patient, disciplined and very inquisitive to learn and at the same time can harness his or emotions and think for oneself.

Investment is done basically with the various objective which involves receiving a good return, creating monetary base for future contingencies, for future planned expenses like child's education, daughter's marriage, parent's medical exigencies, taxation benefits, safety purpose, to meet the increased costs of living, to have a peaceful life after retirement, to leave a decent amount on the demise of investor to his or her legal heirs and for personal satisfaction and gratification. A lot of investment nowadays is undertaken with an objective of enjoying life by planning a vacation within the country or abroad. There are various avenues where the investor can think of investing which can be classified broadly into fixed income bearing investment and variable income offering securities. Fixed income bearing securities entail the investor with regular and fixed return whereas variable income bearing investment entails irregular and varied returns to the investor. The avenues include Bank Fixed deposits, recurring deposits, National Savings Certificates and Kisan Vikas Patrika from post office, Public Provident Fund, house property, child's education, shares, mutual funds, National Pension System, insurance, gold, bonds (though bond market is not very popular in India) etc., to mention a few.

1.4 LITERATURE REVIEW:

The review of literature serves as a foundation for the researcher to start his or her work with some strong and deep routed theoretical base. It gives insight into what seminal work has been done already in the selected area of research. The researcher has made an attempt to accumulate and culminate all the leading works done on investment pattern and behaviour of women employees till date.

Bhonde Aparna (2016) stated that awareness of women employees is more towards risk free Avenues and there is a necessity for creating awareness about risk prone avenues.

Ms R Suyam Prabha and Dr K Malarmati (2015) revealed from their study that people invest when they have free money and also concluded that women invest with an urge to save for the future. The research was conducted in Coimbatore city targeting a sample size 405 salaried employees. The study also concluded that most of the people invest to manage contingencies that may arise in future. Out of total 405 respondents, 149 respondents were women employees. The study focussed more on the importance of marketing financial products and services

Indira Kumari and Bipasha Chetiya Barua (2015) concluded that women employees show similar behaviour in choosing the investment avenue irrespective of their age and women take decision based on information given by friends and relatives. The study was conducted for women employees of Railways sector with special reference to Tinusiki District, Assam. The researcher also found that though there were varieties of alternatives from which women can base their decision, they relied more on advice from friends and relatives.

Hans-Martin Von Gaudecker (2015) concluded that households with higher literacy rate take professional advice for deciding on the investment opportunity. The literacy levels of the people have a bearing on the way people choose the investment opportunity. It was found that people with low literacy levels tend to make their own decision and lose considerable portion of their money because of their faulty decisions.

Ganapathi.R (2014) based on government employees in Madurai concluded that safety and capital gain is the most preferred investment objective and that there is significant association between demographic variables and the investment objective. The study also concluded that insurance is the most preferred investment option among government employees followed by bank deposits, PPF, NSC, post office savings and the least preferred being equity and debentures.

Puneet Bhushan & Yajulu Medury (2013) found that most of the women are more conservative and risk averse and significant there are lots of gender differences occurring in investment preferences for health insurance, fixed deposits and market investments among employees.

Meenakshi Chaturvedi & Shruti Khare (2012) revealed that most investor preferred Bank Deposits as their first choice of investment, secondly small saving scheme followed by the life insurance policies. Janette Rutterford and Josephine Maltby (2007) concluded in their study that women take less risk as compared to the male counterparts and also women who have accumulated wealth and who are aware of the various investment avenues are willing to take more risk. Also most of the women make faulty decisions. The main group of factors which influence women's investment behaviour are marital status, wealth or earning and education and information and advice given by friend or family.

1.5 STATEMENT OF PROBLEM:
As women comprise nearly half of the population, there is need to investigate the awareness of women employees of various asset classes and analyse the rationale behind investment avenues as it would lead to awareness of investment knowledge for women and also lead to capital formation in the nation. There are various demographic and other variables that impact the decision of working women to choose the investment opportunity and the amount and avenue of investment. The statement of problem is thus stating that women are comparatively less aware of the various asset classes and to study about the avenues chosen for investment and why does investment happen among women employed in private companies.

1.6 SCOPE: The scope of the study is restricted to working women in

Bangalore and their investment pattern for the past 10 years

1.7 OBJECTIVE:
The objective of the study is
- To study the awareness level of women employed in private companies about various asset classes.
- To study the rationale behind choice of investment by women employed in private companies.
- To find the behaviour of women investors in choosing the investment opportunity.
- To study the influence of demographic variables on the awareness of women employed in private companies.
- To evaluate the perception of the term investment among women employed in private companies.

1.8 METHODOLOGY:
The study is a descriptive study which focuses to describe the awareness of working women about various asset classes and the rationale behind the investment by women employees. The researcher seeks to describe how women invest, why do they invest, how much do they invest and where do they invest. The researcher has used the primary source of data that has been collected through structured self-administered questionnaire by administering it to women employees in private companies. The researcher has focused on private companies to target at women earning a moderate to high income as the rule of thumb says higher the income, higher the investment and vice versa.

1.9 SAMPLE SIZE:
The researcher collected data from 117 respondents working in private companies.

1.10 SAMPLING PROCEDURE:
The researcher has chosen probability based sampling where each unit of the population has an equal chance of being included in the sample. The researcher has used convenient and purposive method of sampling as the study focuses on the working women with special reference to women employed in private companies.

1.11 STATISTICAL TOOLS:
The researcher has used the following tools for analysis namely percentage analysis and charts, cross percentage analysis, Chi-Square Test, correlation and Factor Analysis.

1.12 ANALYSIS:
Analysis of the collected and tabulated data helps the researcher in arriving at the pertinent findings from where conclusions and suggestions can be arrived at. The researcher has used tools like percentage analysis etc. and also has made use of SPSS package for the purpose of analysis.

Cross tab between age of the respondent and the investment decision of private sector employees

Table 1.1: Table showing cross tab of age and investment decision

Age / Investment		Investment		Total
		No	Yes	
Age	21-30	21	38	59
	31-40	8	38	46
	41-50	1	9	10
	Above 50	0	2	2
Total		30	87	117

Source: Survey Data

From the above table, we can find that nearly 75% of the women employed in private companies are investing their funds and the maximum investment comes from the age group 21-30 and 31-40 years i.e. nearly 87% which states that women in the younger age

group invest more and this is a good sign for themselves and for the country.

Hypothesis 1 - H0: There is no association between age of the respondents and the various asset classes.

H1: There is association between age of the respondents and the various asset classes.

Table No. 1.2: Table showing Chi-square values of various investment avenues and age.

Sl.No	Avenues	Chi-Square Value	Significance value	Decision
1	Gold	0.846	0.05	Accept H0
2	Bank Deposits	0.989	0.05	Accept H0
3	Post office deposits	0.046	0.05	Reject H0
4	Stock Market	0.955	0.05	Accept H0
5	Mutual Funds	0.746	0.05	Accept H0
6	Property	0.573	0.05	Accept H0
7	Life Insurance	0.619	0.05	Accept H0
8	PPF	0.145	0.05	Accept H0
9	NSC/KVP	0.026	0.05	Reject H0
10	Bonds	0.019	0.05	Reject H0
11	Commodity Market	0.012	0.05	Reject H0
12	National Pension Scheme	0.193	0.05	Accept H0
13	Gold Monetisation Scheme	0.096	0.05	Accept H0

Source: Survey Data
Test: Chi Square Test

Based on the above analysis, we can conclude that age of the respondent has no association with the awareness of various investment avenues like gold, bank deposits, Stock Market, Mutual funds, property, Life Insurance, PPF, Commodity Markets, National Pension scheme and Gold Monetisation Scheme. Whereas in case of Post Office Deposits, NCS/KVP and Bonds, the null hypothesis is rejected meaning age of the respondents has a bearing on the awareness about this avenue.

Interpretation
The implication is that the awareness at younger age boosts the investment in that avenue and starting young takes the investment to a longer horizon.

To study the objective of rationale behind the choice of investment, the researcher has used Factor analysis.
Hypothesis: **H0: Correlation Matrix is insignificant**
H1: Correlation matrix is significant.

Table No 1.3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.737	
Bartlett's Test of Sphericity	Approx. Chi-Square	187.663
	df	36
	Sig.	0

Source: Survey Data

KMO and Bartlett's Test establishes the reliability and validity of the obtained factor reduction. From the above table, it can be noted that the value of KMO statistics is greater (0.737) than 0.5 which indicates that factor analysis can be conducted for the given set of data. Also the sample size of 117 which is more than five times of the number of variables (nine) also justify that factor analysis can be used for this question. The p value is 0.000 which is less than 0.05, the assumed level of significance, indicating the rejection of hypothesis that the correlation matrix is insignificant.

Table No 1.4: Table showing rotation sums

Component	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	2.954	32.822	32.822	2.954	32.822	32.822	2.496	27.732	27.732
2	1.223	13.592	46.414	1.223	13.592	46.414	1.392	15.464	43.196
3	1.067	11.853	58.264	1.067	11.853	58.267	1.356	15.072	58.267
4	0.887	9.773	68.04						
5	0.769	8.544	76.584						
6	0.624	6.928	83.512						
7	0.573	6.365	89.877						
8	0.533	5.919	95.796						
9	0.378	4.203	100						

Table No.: 1.5 Table showing rotated component matrix

Tax purpose	0.025	-0.057	0.877
Return	0.407	0.132	0.642
Capital appreciation	0.728	0.064	0.161
Retirement corpus	0.772	-0.118	-0.104
Childs education	0.684	0.291	0.099
Daughters marriage	0.58	0.299	0.173
Property purchase	0.606	0.028	0.253
Vacation	-0.012	0.804	0.141
Liquidity	0.178	0.729	-0.124

The above table shows that there are three factors that account for nearly 58.27%. The important factors are factor 1 comprising of Capital appreciation and retirement corpus which can be identified as future benefit, factor 2 comprising of liquidity and vacation planning which can be termed as luxury benefit and factor 3 comprising of Tax purpose and return which can be termed as safety benefit. Among the three factors, factor 1 is most pre-dominant among the women employees.

To study the behaviour of women in choosing investment opportunity

Table 1.6 - Analysis of women employees' decision making of investment opportunity:

Options	Frequency	Percentage
Self	37	32
Husband	9	7
Jointly	42	36
Others	5	4
Not applicable	24	21
Total	**117**	**100**

Source: Survey Data

From the above table, it can be concluded that 36% of the women employees take decision to invest, jointly in consultation with their husbands. Nearly one-third (32%) of the respondents take decision on their own.

1.13 FINDINGS
- 87% of the women employees working in the private companies invest and among them the investment is highest in the age-group of 21-40 years.
- Nearly 75% of the women employees save only 0-20% of their income.
- There is no association between age and the awareness of various investment avenues like gold, bank deposits, Stock Market, Mutual funds, property, Life Insurance, PPF, Commodity Markets, National Pension scheme and Gold Monetisation Scheme. Whereas in case of Post Office Deposits, NCS/KVP and Bonds, the null hypothesis is rejected meaning age of the respondents has a bearing on the awareness about this avenue.

There is good amount of awareness of various asset classes among women employed in companies.

- Accumulating corpus for old age and capital appreciation are the main purposes or rationale behind investment of women employees in private sector, followed by vacation planning and the final factor being taxation purpose and regular return.

- The major avenues of investment include gold, bank deposits, life insurance and mutual funds. Stock market is still less sought after avenue.

- 36% of women employees decide their investment jointly in consultation with their husbands and 32% of women take decision on their own which is a good sign and shows the confidence and awareness knowledge of women.

- Women perceive investment as an economic activity that commands self-respect for them, increases their self-confidence and also leads to rise in the standard of living.

1.14 SUGGESTIONS: The following suggestions can be considered:

- Encourage more women to save more by conducting investment programmes.

- Encourage women to invest in new and innovative instruments by educating them about the risks and benefits from these avenues.

- A role can be played by the employers who can offer the retirement education to women employees as working women spend nearly fifty percentage of the entire day at work.

1.15 CONCLUSION:

It can be concluded that women have become independent and are in a better position to choose their investment avenue on their own and to decide where to invest, how much to invest, when to invest and how to invest. There has been change in the perception of women and women perceive investing and dealing with money as a pride issue and a self-esteem factor which would command respect for them, increase their self-confidence and ultimately lead to improvement in the standard of living.

1.16 LIMITATION:

The researcher has considered only women working in private companies with special reference to IT companies. There is further scope for research in respect of women working in other sectors and investment pattern of men has not been considered for the study and hence comparative analysis could not be arrived at. The model can be improvised by adding various other demographic variables. These offer future research direction for other researchers.

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