



A STUDY ON SAVINGS AND INVESTMENT BEHAVIOUR OF BANK EMPLOYEES IN ERODE DISTRICT (INDIA)

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Abstract

The various investment avenues are available such as small savings scheme, Sukanya Samriddhi Yojana, LIC, gold, shares real estate etc. The present study is based on primary sources of data which are collected by distribution of a close ended questionnaire. The data has been analysed using chi-square test. The research shows that majority of the respondents are saving money as Bank deposits for the safety of an unpredictable future. This article highlights savings and investment behaviour and of bank employees in erode district of Tamilnadu.

Key Words Investment Behaviour, Risk, Avenues and Preference.

INTRODUCTION

Investment is time, energy, or matter spent in the hope of future benefits actualized within a specified date or time frame. This article concerns investment in finance. In finance, investment is buying or creating an asset with the expectation of capital appreciation, dividends, interest earnings, rents, or some combination of these returns. This may or may not be backed by research and analysis. Most or all forms of investment involve some form of risk, such as investment in equities, property, and even fixed interest securities which are subject, among other things, to inflation risk. It is indispensable for project investors to identify and manage the risks related to the investment. Investment and investing is distinguished from other uses of money such as saving, speculation, donation, gifting etc. In that the deployment of money is done for the purposes of obtaining a positive expected return.

Investments are often made indirectly through intermediaries, such as pension funds, banks, brokers, and insurance companies. These institutions may pool money received from a large number of individuals into funds such as investment trusts, unit trusts, SICAVs etc. to make large scale investments. Each individual investor then has an indirect or direct claim on the assets purchased, subject to charges levied by the intermediary, which may be large and varied. It generally, does not include deposits with a bank or similar institution. Investment usually involves diversification of assets in order to avoid unnecessary and unproductive risk.

STATEMENT OF THE PROBLEM

India is a developing country and investment is an important one to develop the country's economy. In the competitive world, there are many number of investment alternative forms are introduced. The customers can choose their forms of investment by considering their various forms of needs

Man works to earn income to meet his own needs. Every man has unlimited wants and to satisfy these wants, he works continues for a long time. Income earning is the predominant and prime motive in everybody's life. Individuals normally take their own time to settle down in a job and to become successful investors. Though the prime objective of income earning is to pay for his demands, still income has got a different role to play. The desire to earn and save for future needs dominates the minds of the income earners. Further, there is no guarantee that surplus will result into savings. Willingness to save is more important than capacity to save. It is true say that when there is willingness to save, the capacity to save can be created. Savings by itself do not provide any return. It merely provides safety man would like to see that this savings yields some return. Further, he has reached a stage where the rate of return decides their investments.

At present the customers are more dynamic. The factors like high Salary, life style, financial services, highly competitive products introduced by various organizations in both private and public sector are highly dissolved their decision. The customer has certain expectation from their investment like liquidity, future contingency, child future, old age provision etc. Further the investing organizations are faced various troubles in their marketing for finding the customer perception.

SCOPE OF THE STUDY

The present study titled as "Savings and Investment Behavior of Bank Employees in erode district" aims to probe in to the satisfaction derived by the respondents from their investment and the type of investment preferred by them.



The preference and satisfaction of the respondents on investment may be influenced by many factors. Therefore the modern marketing managers have to the people and they has to find ways of deriving the ideal determinants for their products

The respondent's preference and the level of satisfaction on the various investment alternatives provided by financial institutions are enumerated in the study.

OBJECTIVE OF THE STUDY

The Present study is an attempt to throw a light on Investment Behavior of Bank Employees of Erode, India .The objectives are as follows:

1. To study the profile of the respondents and to find out the level of satisfaction towards the various investment made by them
2. To find out the how long their investing their sources of investment
3. To find out the type of investment preferred by the respondents.
4. To find out the level of risk in various types of investment alternatives.

RESEARCH METHODOLOGY

Descriptive research is carried out to describe the phenomenon..This research has been used this research centers on the typically structured investigative questions. In this case descriptions of characteristics associated with population of salaried are formulated. Estimates of the proportions of salaried persons. Who possess particular investment behaviour is evaluated and after this process association was made to different aspects of the investment habits of salaried person their appetite of risk and investment salaried people is discovered.

METHODS OF DATA COLLECTION

Primary data

Primary data has been used in this study. Primary data was collected by administering a detailed questionnaire and also by conducting in depth personal interview.

Secondary data

For this Secondary data is collected through various sources such as magazines, internet, RBI report and business journals etc.

Sample Size

For the purpose of this study. I have collected from 100 bank employees. This is the true representative of the universe.

Sample Unit

In this research is conducted only for bank employees only.

Sampling Technique

Sampling technique is the technique used to select the sample size. Convenient sampling technique is used. In this, Investors were taken according to the convenience of the research study.

REVIEW OF LITERATURE

Mr. C. SATHIYAMOORTHY&Dr. K. KRISHNAMURTHY(2015), propounded in their study Investment Pattern and Awareness of Salaried class investors in Tiruvannamalai district of Tamilnadu ,India with the help of 960 respondents as a sample size & it reveals that as per level of satisfaction of salaried class investors. Level of awareness on the basis of investment (pattern) avenues (Factors Motivated to your Investments, factors influencing your investment Decisions, savings -towards investment patterns, investment portfolio, preference of your investment, factors influence of investment preference, variables considered by you while investing in fund, performance of your investment/ savings, information from various investment avenues.

Sonali patil &Dr.Kalpna Nandawar (2014), Examined the Preferred Investment Avenues Among Salaried People .A sample of 40 investors has been taken from Pune,India. The result of findings showed 60% investors are aware about the investment avenues Where as 40% investors are unaware. The main avenues of investment are Bank deposits and the main purpose of investment is for children education, marriage, and security after retirement.

M. Nasser Katib, Nor Hayati Ahmad, Asish Saha, and Raj Yadav(2013), was aimed at Savings and Investment Behaviour of Bank Customers: Survey Findings. A sample size of 1,200 respondents has been taken from the three cities Peninsular Malaysia, namely Georgetown, Kuala Lumpur and Johor Bahru. Since our study is based on primary data, the results of the research provide us with a new database on consumer behaviour particularly on their changing pattern of



savings and investment habits. This section reports the broad findings of the survey of bank customers carried out for the study.

Dr.Surya Prakasa Rao Gedela(2012), has conducted on Determinants of Saving Behaviour in Rural and Tribal Households (An Empirical analysis of Visakhapatnam District) .The study found that male headed households save more than female headed households. But in general the female headed households are more savers than male and these results are not confirmed in the study area. In the tribal households it is less significant impact on the household savings.

N. Geetha Dr. M. Ramesh (2011),The study entitled " A Study on People’s Preferences in Investment Behaviour" has been undertaken with the objective, to analyse the investment pattern of people in Kurumbalur Town. The samples sizes of 210 respondents were taken for the research work from the universe or population. In this analysis male and female respondents are giving most preference to insurance, NSC, PPF and bank deposit etc. Among the table we can conclude that, all the age groups are give more preference on investing in insurance, Post Office Savings (NSC), Public Provident Fund (PPF)and Bank Deposit (BD) except those who are more than fifty years.

Sanjay Kanti Das (2009), conducted a study which revealed that in most cases in investors across all categories found them to be safer in taking up the insurance policies. A significant portion of investors also had shown keen preference towards unit linked insurance policies so as to get short term gains.

Construction of tools

1. Ranking Method

The ranking method was conducted to find out preference of investors regarding the various investment alternatives and to find their prime objective for making investment

2.. Percentage Analysis

Percentage method refers to a specified kind which is used in making comparison between two or more series of data. Percentages are based on descriptive relationship. It compares the relative items. Since the percentage reduces everything to a common base and thereby allow meaning comparison.

$$\text{Percentage} = \frac{\text{Number of respondents}}{\text{Total no of respondents}} \times 100$$

Salary per month

Salary is the basis for over all investment activity. The financial institution launches new schemes taking into consideration on the level of the people. It could also be said that the whole financial system in the country focus on channelizing surplus to deficit sectors. Nextly the range of occupational income of the respondents is shown in table.1

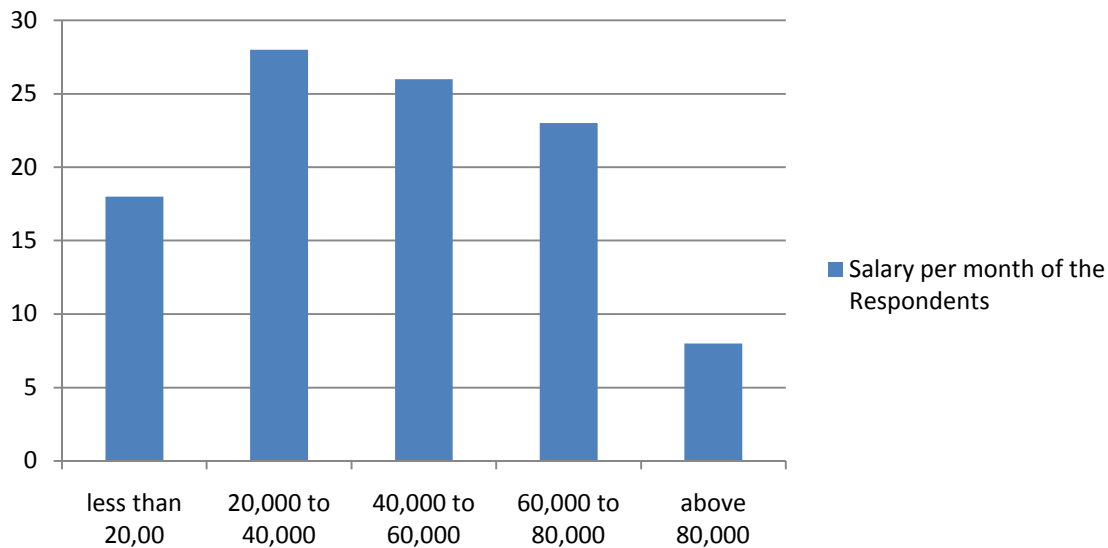
Table – 1,Salary Per Month of The Respondents

S.NO	Salary per month	No. of Respondents	Percentage
1	Less than 20,000	18	18
2	20,000 to 40,000	28	28
3	40,000 to60,000	26	26
4	60,000 to 80,000	23	23
5	Above 80,000	8	8
	Total	100	100

Source: Primary data.

The above table reveals that 18 percent of respondents were comes under the category of less than 10,000 and 28 percent of the respondents were comes under 20,000 to 40,000. majority of the respondents that is 28 percent of respondents and 26 per cent of respondents 40,000 to 60,000.It is clearly understood that the majority of the respondents working under some organization it shows their salary it will helps to growth of the nation. Only 8 percent of respondents were above 80,00 category of bank employees.

Salary per month of the Respondents



CONCLUSION

The researcher identified the relationship the factors influencing the level of awareness of various investment avenues and the factors influencing the level of benefits of scheme. This study will be helpful to the future investors to take investment decision.

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