



A STUDY ON AWARENESS, ATTITUDE AND INVESTMENT DECISION OF GOVERNMENT EMPLOYEES IN BANGALORE CITY

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Abstract

A proper understanding of money, its value, the available investment avenues, various financial institutions providing the facility of investments and the rate of return / risk are very important to successfully manage one's finance for achieving future goals. The results show that there is a significant difference between socio-economic profile of Government employees and awareness about investment avenues. The results indicate that there is a significant difference between socio-economic profile of Government employees and attitude towards investments. In addition, the results reveal that there is a significant difference between socio-economic profile of Government employees and investment decision. The correlation analysis shows that awareness and attitude is moderately and positively associated with each other and awareness and investment decision is moderately and positively correlated with each other. Besides, attitude and investment decision is moderately and positively associated with each other at one per cent level of significance. It is suggested that the Government employees should change investment strategy if the market is highly volatile based on their risk bearing ability and expected returns and it is also important that Government employees should keep up-to-date on investment information.

Key Words: Awareness, Attitude, Correlation, Investment Decision.

1. INTRODUCTION

Financial markets are the backbone of an economic system and aids in the allocation of share capital across the productive sectors of the economy. This allocation of resources helps to sustain healthy climate for savings and investment. The financial system has to be more dynamic than the real system as it has to continuously respond to the needs of the economy to help it to achieve its goals. The investment basically refers to the buying of a financial product or any valued item with anticipation that positive returns will be received in the future.

People are earning, but they do not know where, when and how to invest their funds or money earned by them. A proper understanding of money, its value, the available investment avenues, various financial institutions providing the facility of investments and the rate of return/risk are very important to successfully manage one's finance for achieving future goals. Attitude of the investors plays an important role in their decision making process on saving and investments. Also, changes in attitude likely to affect the overall investment habit of the people. Changing over to a positive attitude should be taken as an investment which is sure to give rich dividends in future.

In conventional financial theory, investors are assumed to be rational wealth-maximizers, following basic financial rules and basing their investment strategies purely on the risk-return consideration. However, in practice, the level of risk investors are willing to undertake is not the same, and depends mainly on their personal attitudes to risk.

Investor market behaviour derives from psychological principles of decision making to explain why people buy or sell stocks. These factors will focus upon how investors interpret and act on information to make investment decisions. The different behaviour in the individual investors is caused by various factors which compromise the investor rationality. An individual investor is one who purchases generally small amounts of securities for his or her own account. Investors want to invest their money and earn certain rate of return which is more than rate of inflation. Therefore, the present research is attempted to study awareness, attitude and investment decision of government employees in Bangalore city

2. METHODOLOGY

Among different cities in Karnataka, Bangalore city has been purposively selected for the present study. The 900 Government employees have been selected for the present study by adopting random sampling technique and the data and information pertain to the year 2014-2015. In order to examine the socio-economic profile of Government employees, the frequency and percentage analysis have been worked out. The mean and standard deviation have been computed for Government employee's awareness about investment avenues, Government employee's attitude towards investments and Government employee's investment decision. In order to examine the difference between socio-economic profile of Government employees and awareness about investment avenues, difference between socio-economic profile of Government

employees and attitude towards investments and difference between socio-economic profile of Government employees and investment decision, the Analysis of Variance (ANOVA) test has been employed. In order to study the relationship between awareness, attitude and investment decision of Government employees, the correlation analysis has been applied.

3. RESULTS AND DISCUSSION

3.1 Socio-Economic Profile of Government Employees

The socio-economic profile of Government employees was analyzed and the results are presented in Table-1. The results show that about 58.56 per cent of Government employees are males, while, the rest of 41.44 per cent of Government employees are females. It is observed that about 31.33 per cent of Government employees belong to the age group of 31 – 40 years followed by 41 – 50 years (30.44 per cent), 21 – 30 years (21.56 per cent) and 51 – 60 years (16.67 per cent).

The results indicate that that about 23.78 per cent of Government employees have the educational qualification graduation followed by higher secondary (20.45 per cent), post-graduation (20.11 per cent), professional (13.22 per cent), diploma (12.33 per cent) and secondary (10.11 per cent). It is clear that about 45.67 per cent of Government employees are middle level employees followed by low level (31.44 per cent) and top level (22.89 per cent).

The results reveal that about 31.56 per cent of Government employees belong to the annual income group of Rs.3,01,000 – Rs.4,00,000 followed by Rs.2,01,000 – Rs.3,00,000(21.67 per cent), Rs.4,01,000 – Rs.5,00,000(17.55 per cent), less than Rs.2,00,000 (16.22 per cent) and more than Rs.5,00,000 (13.00 per cent). It is apparent that about 32.89 per cent of Government employees belong to the annual investment group of Rs.50,001 – Rs.75,000 followed by Rs.25,001 – Rs.50,000 (20.33 per cent), Rs.75,001 – Rs.1,00,000 (18.89 per cent), less than Rs.25,000 (17.67 per cent) and more than Rs.1,00,000 (10.22 per cent).

Table – 1, Socio-Economic Profile of Government Employees

Socio-Economic Profile	Frequency	Percentage
Gender		
Male	527	58.56
Female	373	41.44
Age Group		
21 – 30 years	194	21.56
31 – 40 years	282	31.33
41 – 50 years	274	30.44
51 – 60 years	150	16.67
Educational Qualification		
Secondary	91	10.11
Higher Secondary	184	20.45
Diploma	111	12.33
Graduation	214	23.78
Post-Graduation	181	20.11
Professional	119	13.22
Job Level		
Low Level	283	31.44
Middle Level	411	45.67
Top Level	206	22.89
Annual Income		
Less than Rs.2,00,000	146	16.22
Rs.2,01,000 – Rs.3,00,000	195	21.67
Rs.3,01,000 – Rs.4,00,000	284	31.56
Rs.4,01,000 – Rs.5,00,000	158	17.55
More than Rs.5,00,000	117	13.00
Annual Investment		
Less than Rs.25,000	159	17.67
Rs.25,001 – Rs.50,000	183	20.33
Rs.50,001 – Rs.75,000	296	32.89
Rs.75,001 – Rs.1,00,000	170	18.89
More than Rs.1,00,000	92	10.22

3.2 Employee's Awareness about Investment Avenues

The Government employee's awareness about investment avenues was analyzed and the results are presented in Table-2.

Table -2. Employee's Awareness about Investment Avenues

Sl. No.	Investment Avenues	Mean	Standard Deviation
1.	Deposits in Banks	4.77	0.22
2.	Provident Fund	4.62	0.27
3.	Insurance Policies	4.61	0.26
4.	Postal Savings and Deposits	4.72	0.19
5.	NSS / NSC	4.42	0.32
6.	Pension Fund	4.36	0.30
7.	Shares, Debentures and Bonds	4.41	0.39
8.	Mutual Funds	4.64	0.28
9.	Gold and Jewellery	4.73	0.24
10.	Real Estate	4.61	0.29
11.	Commodities	3.34	0.96
12.	Chit Funds	4.31	0.34

The results show that the Government employees are highly aware of investment avenues of deposits in banks, provident fund, insurance policies, postal savings and deposits, mutual funds, gold and jewellery and real estate, while, they are neutral with the investment avenue of commodities. Besides, they are aware of investment avenues of NSS / NSC, pension fund, shares, debentures and bonds and chit funds.

3.3 Socio-Economic Profile of Government Employees and Awareness about Investment Avenues

In order to examine the difference between socio-economic profile of Government employees and awareness about investment avenues, the ANOVA (Analysis of Variance) has been applied and the results are presented in Table-3.

Table - 3. Difference between Socio-Economic Profile of Government Employees and Awareness about Investment Avenues

Particulars	F-Value	Sig.
Gender and Awareness about Investment Avenues	179.151	.000
Age Group and Awareness about Investment Avenues	17.237	.000
Educational Qualification and Awareness about Investment Avenues	26.187	.000
Job Level and Awareness about Investment Avenues	25.648	.000
Annual Income and Awareness about Investment Avenues	12.168	.000
Annual Investment and Awareness about Investment Avenues	16.315	.000

The results indicate that the F-values are significant at one per cent level indicating that there is a significant difference between socio-economic profile of Government employees and awareness about investment avenues. Hence, the null hypothesis of there is no significant difference between socio-economic profile of Government employees and awareness about investment avenues is rejected.

3.4 Employee's Attitude towards Investments

The Government employee's attitude towards investments was analyzed and the results are presented in Table-4.

Table -4. Employee's Attitude towards Investments

Sl. No.	Attitude towards Investments	Mean	Standard Deviation
1.	I invest in Government securities for tax benefits	4.75	0.13
2.	The overall rate of return in investments is good	3.89	0.59
3.	I am proponed to cut my expenses for investment	3.60	0.77
4.	Investment practices require experience	3.23	0.83
5.	The availability of information for investment is adequate	3.80	0.83
6.	The Government provides safer investor services	4.09	0.39

7.	The Government securities are not attractive because of their low yielding return	4.72	0.19
8.	I am not ready to invest in private companies / parties	4.14	0.68
9.	I like to have an aexrive investment in my investment	3.42	0.94
10.	Investment ensures secure life	4.64	0.14

The results show that the Government employees are strongly agreed with they invest in Government securities for tax benefits, the Government securities are not attractive because of their low yielding return and investment ensures secure life, while, they are neutral with investment practices require experience and they like to have an aexrive investment in their investment. Besides, they are agreed with the overall rate of return in investments is good, they are proponed to cut their expenses for investment, the availability of information for investment is adequate, the Government provides safer investor services and they are not ready to invest in private companies / parties.

3.5 Socio-Economic Profile Of Government Employees And Attitude Towards Investments

In order to examine the difference between socio-economic profile of Government employees and attitude towards investments, the ANOVA (Analysis of Variance) has been applied and the results are presented in Table-5.

Table -5, Difference between Socio-Economic Profile of Government Employees and Attitude towards Investments

Particulars	F-Value	Sig.
Gender and Attitude towards Investments	4.101	.043
Age Group and Attitude towards Investments	10.252	.000
Educational Qualification and Attitude towards Investments	27.310	.000
Job Level and Attitude towards Investments	27.678	.000
Annual Income and Attitude towards Investments	8.795	.000
Annual Investment and Attitude towards Investments	10.517	.000

The results indicate that the F-values are significant indicating that there is a significant difference between socio-economic profile of Government employees and attitude towards investments. Hence, the null hypothesis of there is no significant difference between socio-economic profile of Government employees and attitude towards investments avenues is rejected.

3.6 Employee's Investment Decision

The Government employee's investment decision was analyzed and the results are presented in Table-6.

Table -6, Employee's Investment Decision

Sl. No.	Investment Decision	Mean	Standard Deviation
1.	I am confident about my ability to invest	4.73	0.19
2.	I keep myself up-to-date on investment information	3.68	1.16
3.	I make changes in my investments as needed	3.64	0.94
4.	I match my investments to my goals	3.80	1.00
5.	I often worry about the outcome of my investments	4.60	0.28
6.	I feel proud when I make good investment decisions	3.80	0.89
7.	I stick with a consistent investment strategy even if the market is volatile	2.92	1.75
8.	I regularly make investment decisions on my own	4.07	0.51
9.	I choose to invest regularly even if it means I have to make some sacrifices elsewhere in my life	4.44	0.36
10.	I regularly review and compare my investment performance with market benchmarks	4.43	0.28

The results show that the Government employees are strongly agreed with they are confident about their ability to invest and they often worry about the outcome of their investments, while, they are neutral with they stick with a consistent investment strategy even if the market is volatile. Besides, they are agreed with they keep themselves up-to-date on investment information, they make changes in their investments as needed, they match their investments to their goals, they feel proud when they make good investment decisions, they regularly make investment decisions on their own, they choose to invest

regularly even if it means they have to make some sacrifices elsewhere in their life and they regularly review and compare their investment performance with market benchmarks.

3.7 Socio-Economic Profile of Government Employees and Investment Decision

In order to examine the difference between socio-economic profile of Government employees and investment decision, the ANOVA (Analysis of Variance) has been applied and the results are presented in Table-7.

Table -7. Difference between Socio-Economic Profile of Government Employees and Investment Decision

Particulars	F-Value	Sig.
Gender and Investment Decision	13.951	.000
Age Group and Investment Decision	5.736	.001
Educational Qualification and Investment Decision	13.745	.000
Job Level and Investment Decision	13.207	.000
Annual Income and Investment Decision	7.412	.000
Annual Investment and Investment Decision	7.886	.000

The results indicate that the F-values are significant indicating that there is a significant difference between socio-economic profile of Government employees and investment decision. Hence, the null hypothesis of there is no significant difference between socio-economic profile of Government employees and investment decision is rejected.

3.8 Relationship between Awareness, Attitude and Investment Decision of Government Employees

In order to study the relationship between awareness, attitude and investment decision of Government employees, the correlation analysis has been applied and the results are presented in Table-8.

Table -8. Relationship between Awareness, Attitude and Investment Decision of Government Employees

Particulars	Awareness	Attitude	Investment Decision
Awareness	1.00		
Attitude	0.45**	1.00	
Investment Decision	0.52**	0.57**	1.00

Note: ** indicates significance at one per cent level.

The results show that the correlation co-efficient between awareness and attitude is 0.45, which is moderately and positively associated with each other at one per cent level of significance. The awareness and investment decision is moderately and positively correlated with each other with the value of 0.52, which is significant at one per cent level of significance.

The results indicate that the correlation co-efficient between attitude and investment decision is 0.57, which is moderately and positively associated with each other at one per cent level of significance. Therefore, the null hypothesis of there is no significant relationship between awareness, attitude and investment decision of government employees is rejected.

4. CONCLUSION

The study reveals that majority of the Government employees are males and most of the Government employees belong to the age group of 31 – 40 years. Majority of the Government employees have the educational qualification of graduation and most of the Government employees are middle level employees. Majority of the Government employees belong to the annual income group of Rs.3,01,000 – Rs.4,00,000 and Most of the Government employees belong to the annual investment group of Rs.50,001 – Rs.75,000.

The results show that there is a significant difference between socio-economic profile of Government employees and awareness about investment avenues. The results indicate that there is a significant difference between socio-economic profile of Government employees and attitude towards investments. In addition, the results reveal that there is a significant difference between socio-economic profile of Government employees and investment decision.

The correlation analysis shows that awareness and attitude is moderately and positively associated with each other and awareness and investment decision is moderately and positively correlated with each other. Besides, attitude and investment decision is moderately and positively associated with each other at one per cent level of significance.

In order to choose the best investment avenue, the Government employees should have to lean a complete knowledge about various investment avenues and their rate of return and degree of risk associated with them.

In order to improve the investment habits of Government employees, it is suggested to acquire more information about different investment avenues from various sources and to cut wasteful expenditures for investment purposes.

It is suggested that the Government employees should change investment strategy if the market is highly volatile based on their risk bearing ability and expected returns and it is also important that Government employees should keep up-to-date on investment information.

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