

A Study on the Investment Behaviour of Public Sector Bank Employees in Dibrugarh Town of Assam

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Abstract

Investments have become a basic necessity for everyone. In our country there is a rapid growth in investment. Wide variety of investment avenues is now available in India. An individual can make investment in avenues such as shares, debentures, mutual fund, real estate, gold, bank fixed deposit, life insurance etc. Thus a decision has to be made in investment which is generally a very complex task as it involves choosing a particular alternative from a number of alternatives. The behaviour of investor differ from person to person due to various factors such as their age, marital status, race, level of education, level of earning, gender, acceptance of risk and return etc. In the present paper an attempt has been made to look after the influence of three demographic variables i.e. gender, level of income and marital status on the investment behaviour of public sector bank employees of dibrugarh town of Assam. The findings of the paper did not found major difference in the investment behaviour of the respondents except in case of high income earners.

KEYWORDS: Investment, investment behaviour, marital status, public sector bank.

INTRODUCTION

Investments have become a basic necessity for everyone. In our country there is a rapid growth in investment. Investment can be said to be as the employment of funds with the aim of getting return on it. In general terms, investment means the use of money in the hope of making more money. Investment of hard earned money is a crucial activity of every human being. Wide variety of investment avenues is now available in India. An individual can make investment in avenues such as shares, debentures, mutual fund, real estate, gold, bank fixed deposit, life insurance etc. Thus a decision has to be made in investment which is generally a very complex task as it involves choosing a particular alternative from a number of alternatives.

The investment behaviour of individuals consists of why they invest, where and how they get information, what factors they use to evaluate, who influence them to choose of investment, what objectives they have in mind before investment etc. The behaviour of investor differ from person to person due to various factors such as their age, marital status, race, level of education, level of earning, gender, acceptance of risk and return etc. On the basis of gender as revealed by other studies it can be said that both male and female invests differently. It is said that men are risk takers; women want to play it safe. Again on the basis of marital status it can be said that the behaviour of unmarried respondents are different from married one, as unmarried respondents are free of responsibilities their investment pattern will be different from married respondents who have to look after their family responsibilities.

REVIEW OF LITERATURE

- 1) Christiansen, C., Joensen, J.S and Rangvid J(2010) in their paper ‘The effect of marriage and divorce on financial investment’ investigated how changes in marital status affect the decision to take on financial risk. The paper studied how the same investor changes behaviour after a change in marital status, compared to investors who do-not experience a change in marital status. The study found out that marriage causes men to reduce the fraction of wealth they hold in risky assets, they increase risk after divorce. For women, it is the other way around.
- 2) Kasilingam, R. and Jayabal, G. in their paper entitled ‘Impact of family size and family income on the investment behavior of salaried class investors’ stated that Family income has significant influence on saving size, number of insurance policies and is a very important demographic variable for any investment behavior studies.
- 3) Beckmann, D. and Menkhoff, L. (2008) made an attempt to analyse whether financial expert show gender difference in their domain of decision making, for which survey of fund managers were carried out in U.S, Germany, Italy and Thailand. The findings of the study showed that female fund managers just like other female tends to be more risk averse, shy away from competition and have lower degree of confidence.
- 4) An study by Iowa state university centre for survey statistics and methodology was conducted in America to identify the differences between the behavior investment of high income women and men in America. The findings of the study identified that women are more likely than men to have fixed income investment such as savings account, certificates of deposit and life insurance with cash value or mutual funds. They are less likely than men to invest in IRA or a Keogh plan.
- 5) Lancaster, C and Raj, A (2009) emphasized that after controlling for age, education, family size, income, self reported financial risk tolerance and occupation it was found that Single women tend to choose more conservative investment allocation in their retirement accounts than do single men. However, within married households, no significant gender differences in assets allocation were found.
- 6) Feng, L. and Seasholes M.S (2008) examined investment behavior of men and women in an emerging stock market and found men and women to be exhibiting similar investment behaviour along three key dimension. Firstly both gender suffer equally from home bias. Secondly, the portfolio performance of male and female are not statistically different. The third results concern gender similarity when measuring trading intensity.

OBJECTIVES OF THE STUDY

The study aims to achieve the following objectives -

1. To find out the time period preferred for investment by respondents on the basis of gender, marital status and income.
2. To know the sources of information for investment of the respondents based on gender, marital status and income.
3. To investigate the awareness level of the respondents regarding various investment avenues on the basis of gender, marital status and income.
4. To find out the various investment avenues in which the respondents have invested their saved money based on gender, marital status and income.

SCOPE OF THE STUDY

In the present study an attempt has been made to study the investment preference, time preferred, sources of information used, awareness level as regard the various investment avenues of the respondents on the basis of their gender, marital status and income. The scope of the study is limited to public sector banks in Dibrugarh town of Assam.

METHODOLOGY OF THE STUDY-

The methodology of the study will be-

a) Universe of the study

For the purpose of the present study, the universe shall consist of employees of all the public sector banks in Dibrugarh town of Assam. There are 20 public sector banks in Dibrugarh town of Assam. All the banks along with their branches have been covered for the purpose of the study. The total number of employees working under managerial and clerical position in these banks consists of 417. The sub-staff employees are not considered for the purpose of the study.

b) Sample and sample unit

A Sample of 25% i.e. 104 has been selected from the population of public sector bank employees working in Dibrugarh town of Assam. The table below shows the categorisation of sampled employees on the basis of gender, marital status and Income.

Table : 1
Gender-wise classification of respondents

Gender	Frequency
Male	68(65%)
Female	36(35%)
Total	104(100%)

Source – Primary data

The above table shows gender wise classification of the respondents. Out of 104 respondents 68 respondents i.e. 65% are male and remaining 36 i.e.35% are female.

Table : 2
Marital status – wise classification of respondents

Marital status	Frequency
Married	61(59%)
Unmarried	43(41%)
Total	104(100%)

Source – Primary data.

Table: 3 show classification of respondents on the basis of marital status. Out of 104 respondents, 61(59%) are married and 43(41%) are unmarried.

Table : 3
Income– wise classification of respondents

Income(Annual)	Frequency
Below 2lakh	10(10%)
Between 2-5lakh	50(48%)
Between 5-8lakh	38(36%)
Above 8lakh	06(6%)
Total	104(100%)

Source – Primary data

The above table shows income profile of the respondents. Out of 104 respondents, 10% earns below 2lakh, 48% earns between 2-5lakh, 36% earns between 5-8lakh and remaining 6% earns above 8lakh.

Method of data collection

The research data has been collected through both Primary as well secondary sources. The technique adopted in the present study for collecting primary data is the general administration of the questionnaire method. The questionnaire framed for the purpose of study involved close ended questions. The secondary data has been collected through various journals and websites. The study is based on convenience sampling method. In the present research work various tools of statistical analysis, tables, cross tables, percentages are done.

DATA ANALYSIS -

The paper tries to identify the time preference of respondents, sources of information, awareness level as regard various investment avenues and the investment alternatives in which bank employees have made investment on the basis of gender, marital status and income. In order to identify sources of information, awareness level and investment preference, the respondents were given liberty to make choice in more than one option as single respondent can have various sources of information for investment, can be aware of about various investment alternatives and may have investment in more than one avenue. The findings of the study are tabulated and analysed below –

Investment behaviour of the respondents on the basis of Gender

Table : 4.1

Time preference for Investment

Gender	Short term(%)	Medium term (%)	Long term (%)	Total (%)
Male	10(15)	40(59)	18(26)	68(100)
Female	03(08)	31(86)	02(06)	36(100)
Total	13(13)	71(68)	20(19)	104(100)

Source – Primary data.

The above table shows that both male and female find medium term as the most suitable time period for investment. The least preferred time period for investment in case of male respondents was found to be short term whereas in case of female it was long term.

Table : 4.2

Sources of Information

Gender	Newspaper/newschannel (%)	Financial Advisor (%)	Family (%)	Friends (%)	Internet (%)	Magazine (%)	No source of information (%)
Male	17(25)	04(06)	06(09)	28(41)	32(47)	17(25)	11(16)
Female	03(08)	01(03)	18(50)	19(53)	21(58)	12(33)	04(11)
Total	21(20)	05(05)	24(23)	47(45)	53(51)	29(28)	15(14)

Source – Primary data.

Table 4.2 shows the various source of information which are being used by respondents while making investment decision. Internet was found to be the most preferred source of information for investment in case of both male and female whereas financial advisor was the least preferred source in case of both. In case of male the second most preferred source was friend, the third preferred source was newspaper/news channel and magazine, and the fourth preferred source of information was family. 16% of male respondent's do not follow any source while making investment. In case of female, after internet the second preferred source of information found was friends followed by family, magazine and newspaper/news channel. 11% of female respondents do not have any source for gathering information

Table: 4.3
Awareness level as regard various Investment avenues

Gender	Fixed deposit (%)	Public provident fund (%)	Mutual fund (%)	Gold (%)	Shares (%)	Post office deposit (%)	Insurance Policy (%)
Male	68(100)	41(60)	56(82)	68(100)	31(46)	48(71)	68(100)
Female	36(100)	17(47)	27(75)	36(100)	09(25)	29(81)	36(100)
Total	104(100)	58(56)	83(80)	104(100)	40(38)	77(74)	104(100)

Source – Primary data.

100% respondents belonging to both male and female are fully aware of bank fixed deposit, gold and insurance policy. In case of male, apart from these three investment avenues, mutual fund rank next as regard its awareness i.e., 82% followed by post office deposits (71%), public provident fund(60%), and shares (46%). In case of female, post office deposit (i.e. ,81%) rank next after bank fixed deposit, gold and insurance policy which is again followed by mutual fund(75%), public provident fund(41%) and shares(25%)

Table : 4.4
Various Investment avenues in which investment has been made by the respondents

Gender	Fixed deposit (%)	Public provident fund (%)	Mutual fund(%)	Gold (%)	Shares (%)	Post office deposit (%)	Insurance (%)
Male	62(91)	24(35)	43(63)	22(32)	27(40)	23(34)	63(93)
Female	31(86)	06(17)	17(47)	18(50)	03(08)	21(58)	35(97)
Total	93(89)	30(29)	60(58)	40(38)	30(29)	44(42)	98(94)

Source – Primary data.

From the above table it has been found that large number of male have made investment in insurance(93%) followed by fixed deposit(91%), mutual fund(63%), shares(40%), public provident fund (35%), post office deposit(34%) and gold(32%) . Large number of female have also made investment in insurance (97%), followed by fixed deposit(86%) , post office deposit(58%), gold(50%), mutual fund(47%), public provident fund(17%) and shares(8%).

Investment behaviour of the respondents on the basis of marital status

Table : 5.1
Time preference for Investment

Marital status	Short term (%)	Medium term (%)	Long term (%)	Total (%)
Married	06(10)	37(61)	18(30)	61(100)
Unmarried	07(16)	34(79)	02(05)	43(100)
Total	13(13)	71(68)	20(19)	104(100)

Source – Primary data.

The above table shows time preference of respondents on the basis of marital status. Medium term was found to be most preferred time period of the respondents irrespective of their marital status.

Table: 5.2
Sources of Information

Marital status	Newspaper/newschannel (%)	Financial Advisor (%)	Family (%)	Friends (%)	Internet (%)	Magazine (%)	No source of information (%)
Married	17(28)	05(08)	15(25)	19(31)	29(48)	18(30)	10(16)
Unmarried	04(09)	00(00)	09(21)	28(65)	24(56)	11(26)	05(12)
Total	21(20)	05(05)	24(23)	47(45)	53(51)	29(28)	15(14)

Source – Primary data.

From table 5.2 it has been found that large numbers of married respondents have information from internet before making any investment decision whereas in case of unmarried respondents it is friend (65%) with whom discussion is made before taking any investment decision. Financial advisor is the least preferred source of information for both married as well as unmarried respondents. 16% respondents in case of married and 12% in case of unmarried do not follow any source of information for investment

Table: 5.3
Awareness level as regard various Investment avenues

Marital status	Fixed deposit (%)	Public provident fund (%)	Mutual fund (%)	Gold(%)	Shares (%)	Post office deposit (%)	Insurance (%)
Married	61(100)	40(66)	43(70)	61(100)	19(31)	43(70)	61(100)
Unmarried	43(100)	18(42)	40(93)	43(100)	21(49)	34(79)	43(100)
Total	104(100)	58(56)	83(80)	104(100)	40(38)	77(74)	104(100)

Source –Primary data.

Table 5.3 shows awareness level of respondents as regard various investment avenues. Mutual fund and post office deposit rank next as regard its awareness among married respondents after bank fixed deposit, real estate and insurance policy whereas in case of unmarried respondents mutual fund rank next, which is again followed by post office deposit. Married respondents were found to be least aware of shares where as unmarried respondents were least aware of public provident fund

Table : 5.4
Various Investment avenues in which investment has been made
by the respondents

Marital status	Fixed deposit(%)	Public provident fund(%)	Mutual fund(%)	Gold(%)	Shares(%)	Post office deposit(%)	Insurance(%)
Married	54(89)	23(38)	32(52)	26(43)	14(23)	34(56)	59(97)
Unmarried	39(91)	07(16)	28(65)	14(33)	16(37)	10(23)	39(91)
Total	93(89)	30(29)	60(58)	40(38)	30(29)	44(42)	98(94)

Source – Primary data.

In case of married respondent large number of investment has been found in insurance (97%) followed by investment in fixed deposit (89%), post office deposit 56%, mutual fund (52%), gold (43%), public provident fund(38%) and shares(23%). In case of unmarried respondents, 91% respondents were found to have investment in fixed deposit and insurance followed by investment in mutual fund (65%), shares (37%), gold(33%), post office deposit and public provident fund(16%)

Investment behaviour of the respondents on the basis of Income

Table : 6.1
Time preference for Investment

Income	Short term(%)	Medium term(%)	Long term(%)	Total(%)
Below 2lakh	02(20)	08(80)	00(00)	10(100)
Between 2-5lakh	06(12)	38(76)	06(12)	50(100)
Between 5-8lakh	04(11)	20(53)	14(36)	38(100)
Above 8lakh	01(17)	05(83)	00(00)	06(100)
Total	13(13)	71(68)	20(19)	104(100)

Source – Primary data.

Table 6.1 shows that whatever be the income of the respondent medium term is the most preferable time period in which large number of investors prefer to invest their money.

Table : 6.2
Sources of Information

Income	Newspaper/newschannel (%)	Financial Advisor (%)	Family (%)	Friends (%)	Internet (%)	Magazine (%)	No source of information (%)
Below 2lakh	01(10)	00(00)	02(20)	07(70)	08(80)	01(10)	00(00)
Between 2-5lakh	15(30)	01(02)	17(34)	27(54)	29(58)	14(28)	07(14)
Between 5-8lakh	04(11)	04(11)	05(13)	13(34)	14(37)	12(32)	07(18)
Above 8lakh	01(17)	00(00)	00(00)	00(00)	02(34)	02(34)	01(17)

Total	21(20)	05(05)	24(23)	47(45)	53(51)	29(28)	15(14)
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Source –Primary data.

From the above table it can be seen that internet is the main source of information for investment of respondents belonging to all income groups. Friends were found to be second most preferred source of information of respondents who earn below 2lakhs, between 2-5lakh and between 5-8lakh. Respondents who earn above 8lakhs, magazine was found to be second preferred source of information to them. Financial advisors were found to be the least preferred source of information for investors belonging to all income groups.

Table: 6.3
Awareness level as regard various Investment avenues

Income	Fixed deposit(%)	Public provide nt fund(%)	Mutual fund(%)	Gold(%)	Shares(%)	Post office deposit(%)	Insurance (%)
Below 2lakh	10(100)	04(40)	10(100)	10(100)	04(40)	07(70)	10(100)
Between 2-5lakh	50(100)	24(48)	37(74)	50(100)	17(34)	35(70)	50(100)
Between 5-8lakh	38(100)	24(63)	30(79)	38(100)	13(34)	29(76)	38(100)
Above 8lakh	06(100)	06(100)	06(100)	06(100)	06(100)	06(100)	06(100)
Total	104(100)	58(56)	83(80)	104(100)	40(38)	77(74)	104(100)

Source – Primary data.

From the above table it can be seen that respondents belonging to all the income groups are aware of fixed deposit, real estate and insurance. Post office deposit ranks next as regard its awareness among respondents who earns less than 2lakhs which is followed by public provident fund and shares. In case of respondents who earn between 2-5lakhs and 5-8lakhs, mutual fund rank next as regard its awareness. Respondents who earn above 8lakhs are fully aware of about all the investment awareness.

Table: 6.4
Various Investment avenues in which investment has been made by the respondents

Income	Fixed deposit(%)	Public provide nt fund(%)	Mutual fund(%)	Gold(%)	Shares(%)	Post office deposit(%)	Insurance(%)
Below 2lakh	08(80)	04(40)	06(60)	05(50)	01(10)	06(60)	10(100)
Between 2-5lakh	46(92)	11(22)	22(44)	21(42)	14(28)	25(50)	46(92)

5-8 lakh	34(89)	12(32)	26(68)	11(29)	10(26)	12(32)	38(100)
Above 8lakh	05(83)	03(50)	06(100)	03(50)	05(84)	01(17)	04(67)
Total	93(89)	30(29)	60(58)	40(38)	30(29)	44(42)	98(94)

Source –Primary data.

Table 6.4 shows various investment avenues in which investment has been made by the respondents. Large number of respondents whose earning is below 2lakh prefers to invest in insurance policy whereas least number of respondents prefers to invest in shares. Respondents whose earning is between 2-5lakh mainly prefer to invest in bank fixed deposit and insurance. They show least preference for public provident fund. Respondents whose earning is between 5-8lakh mainly prefer to invest in insurance. They have least preference for shares. High income earners i.e. whose earning is above 8lakh had large investment in mutual fund and least investment in post office deposit.

MAJOR FINDINGS OF THE STUDY BASED ON GENDER, MARITAL STATUS AND INCOME

Time period preferred for investment

Medium term was found to be most preferred time period for investment of all the respondents irrespective of gender, marital status and income. Short term period was found to be least preferred time period for investment by male as well as married respondents whereas long term was found to be least preferred time period for investment by female and unmarried respondents.

Sources of information

Internet was found to be most preferred source of information for investment of all respondent except the unmarried respondents who mainly discusses with their friends before making any investment decision. Financial advisors were found to be least preferred source of information of all the respondents irrespective of gender, marital status and income.

Awareness level

Bank fixed deposit, gold and insurance are the three investment avenues about which all the respondents were found to be fully aware of. Least number of male, female and married respondents is found to be aware of investment in shares whereas large numbers of unmarried respondents were unaware of investment in public provident fund. Respondents whose earning was above 8lakh were found to be fully aware of about all the investment avenues.

Investment preference of the respondents

All the respondents except the one who earn above 8lakhs were found preferring investment in either insurance or fixed deposit which can be said to be as the safest and low risk form of investment. Male were found to be least interested to invest their money in gold .Married, female as well as respondents who fall under first three income groups were least preferred to invest in shares. Respondent whose earning is above 8lakh has shown little different behaviour in investment decision. They largely preferred to invest in mutual fund and have shown low investment in post office deposit.

CONCLUSION

The result of the study did not found major difference in the investment behaviour of respondents based on gender and marital status. On the basis of income, it can be said that respondents whose earning is above 8lakh had shown quite different behaviour in investment decision than the respondents who's earning was below 8lakh. Internet was found to be most preferred source of information for investment of most of the respondents which reflects their advance choice. The employees of the public sector bank had shown good awareness level and proper investment decision in the study.

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