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INVESTMENT BEHAVIOUR OF GOVERNMENT EMPLOYEES IN TIRUNELVELI DISTRICT

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ABSTRACT

Investment has been an activity confined to the rich and salaried class in the past. This can be attributed to the fact that availability of investible funds is a pre-requisite to development of funds. But, today the find that investment has become a household world and is very popular with people from all walks of life. Generation of savings and its conversion into capital is fundamental to the theory of economic growth. The volume and composition of savings are important in the process of economic development of any nation. Savings in the form of financial assets derives its importance in a developing country like India on the ground that these savings can be channelized for capital formation. In India, households are the largest contributors to the national pool of savings. Their share in net domestic savings in India remains around 75 per cent on an average. The various investment avenues for people to invest their money are post office schemes, mutual funds, bank deposits, RBI bonds, share market, life insurance and so on. An investor can choose from a variety of funds to suit his risk tolerance, various investment avenues and objectives. Against this background, the researcher has taken up this topic. The investors are finding various problems in selecting their various investment avenues. It is identified that there is a need for research work in the field of investment behavior of government employees in Tirunelveli district.

KEY WORDS: *Investment avenues, investment behavior, rate of return and risk preference.*

INTRODUCTION

Investment refers to deployment of surplus funds or savings with an aim of some positive rate of return in future and in general it is from the savings with hope of getting better profitable benefits in future. The spectrum for investment is vast today, which comprises of financial and non- financial products. Financial products comprises of bank deposits, share market, commodity market, insurance, post office schemes and other bonds. Non-financial products comprises of real estate and gold / Jewellery. Some of the investment instruments are highly risky while few others are almost risk free. Similarly some of the instruments are marketable and liquid while others are non-marketable. The selection of investment would depend on the specific need, rate of return and risk preference and the degree of risk and return varies for different investment avenues. The aim of Investment is to multiply the money at various rates depending upon the term of the investment.

NEED OF THE STUDY:

It is a well-known fact that rate of saving is an important economic variable for the economic growth and development. Saving is the foundation for creating investment opportunities. So with higher saving, investments are more, which creates ample of job opportunities. The demographic profile of India is dominated by rising middle class. The rapid increase in income has a direct effect on saving and investment. As such this research is carried out to know how the various demographic factors that affect the investment behavior of government employees which are playing a very important and dominant role in the economic development and prosperity of India.

Objectives of the Study

1) To know the investment behavior of government employees in the study Area.

2) To explain the performance of Various Investment awarnce among govt. employees.

3) To analyze the pattern of investment preferences among Government employees in the Study Area.

METHODOLOGY

Both the Primary and Secondary sources of data are used. Mainly the research is based on Primary data. Primary sources include interview schedule, personal observation and discussion whereas secondary source include data given in the Government Reports related to the number of persons falling under the category of government employees and other relevant information. Apart from it, the secondary sources include journals and research publications. The primary data have been collected from 150 government employees in Tirunelveli district by adopting convenience sampling method.

DATA ANALYSIS AND INTERPRETATION

Ranking analysis of purpose of investment

Government employees are making investment for different purposes namely children's education/marriage, purchase of assets, meet emergencies, well settled retired life/future secured life, provision for additional income, repayment of old debts, provision for festivals and construction of house. In order to find out the purpose of investment made by government employees, Garret ranking analysis was made. The results of Garret ranking analysis regarding purpose of investment made by government employees is presented in the Table 1.

Table 1

Ranking analysis of purpose of investment

Sl. No	Particulars	Total Score	Average Score	Rank
1.	For children's education/marriage	9041	60.27	I
2.	For purchase of assets	7460	49.73	V
3.	To meet emergencies	8984	59.89	II
4.	Well settled retired life/future secured life	6339	42.26	VII
5.	Provision for additional income	8676	57.84	III
6.	Repayment of old debts	6837	45.58	VI
7.	Provision for festivals	5478	36.52	VIII
8.	Construction of house	7854	52.36	IV

Source: Primary data

It is clear from the Table that a majority of government employees have given the first rank to children's education/marriage. The table exhibits that the sample government employees have given second rank to meet emergencies. The table further shows that the sample government employees have given the third rank to provision for additional income. It is further clear from the table that the sample government employees have given the last rank to provision for festivals.

Gender Group of Government Employees and Reasons for Preferring Investment

Government employees of different gender group have different reasons for preferring investment. In order to find out the significant difference in reasons for preferring investment among different gender group of government employees in Tirunelveli district, 't' test is attempted with the null hypothesis as, **"There is no significant difference in reasons for preferring investment among different gender group of government employees in Tirunelveli district".** The result of 't' test for reasons for preferring investment among different gender group of government employees is presented in Table 2.

Table 2

Reasons for Preferring Investment among different gender group of Government Employees

Investment Factors	Gender (Mean Score)		T- Statistics
	Male	Female	
Liquidity is high	3.4253	3.2613	1.932
Money is safe	3.3919	3.2991	1.840
Usual returns	3.2116	3.0586	1.653

Returns is high	3.2354	3.0541	1.932
Benefits for long term	3.3122	3.0315	2.708*
Capital appreciation	3.2566	2.9955	2.396*
Tax benefits	3.3254	3.2252	1.018
Social status worth	3.3810	3.2065	1.730
Future protection	3.2487	3.2162	0.357
Risk is low	3.3148	3.1396	2.015*
Past Performance	3.2672	3.1036	1.790
Market Segment	3.1984	3.0315	1.898

Source: Computed data

*-Significant at five per cent level

Table 2 shows the mean score of reasons for preferring investment among different gender group of government employees along with its respective 'T' statistics. The important reasons for preferring investment among the male respondents are liquidity is high and money is safe and their respective mean scores are 3.4253 and 3.3919 and among the female respondents, money is safe and liquidity is high and their respective mean scores are 3.2991 and 3.2613. Regarding the reasons for preferring investment, the significant difference among the different gender group of government employees, are identified in the case of benefits for long term, capital appreciation and risk is low since the respective 'T' statistics are significant at 5 per cent level, the null hypothesis is rejected.

Age group of Government Employees and Reasons for Preferring Investment

Government employees of different age groups have different reasons for preferring investment. In order to find out the significant difference in reasons for preferring investment among different age group of government employees in Tirunelveli district, ANOVA is attempted with the null hypothesis as, **"There is no significant difference in reasons for preferring investment among different age group of government employees in Tirunelveli district".** The result of ANOVA for reasons for preferring investment among different age group of government employees is presented in Table 3.

Table 3

Reasons for Preferring Investment among different age group of government employees

Investment Factors	Age Group (Mean Score)				F Statistics
	Below 30 years	31-40 years	41-50 years	Above 50 years	
Liquidity is high	2.8788	3.4750	3.4279	3.4161	5.911*
Money is safe	2.8939	2.9750	3.2548	3.2657	3.084*
Usual returns	2.8636	2.9500	3.1827	3.2308	2.537*
Returns is high	3.1490	3.2121	3.1643	3.2250	1.090
Benefits for long term	3.1000	3.1058	3.2378	3.4697	1.634
Capital appreciation	2.5152	3.0750	3.2500	3.2552	6.552*
Tax benefits	2.7273	3.3365	3.3566	3.4750	6.054*
Social status worth	3.0000	3.3221	3.3741	3.4500	2.179
Future protection	2.8333	3.2448	3.3077	3.4975	4.135*
Risk is low	3.1503	3.2750	3.3125	3.4697	2.165
Past Performance	3.0000	3.0979	3.2260	3.7424	7.063*
Market Segment	3.0000	3.1250	3.1367	3.4242	2.055

Source: Computed data

*-Significant at five per cent level

Table 3 shows the mean score of reasons for preferring investment among different age group of government employees along with its respective 'F' statistics. The important reasons for preferring investment among the respondents who are in the age group of below 30 years are risk is low and returns is high and their respective mean scores are 3.1503 and 3.1490 and among the respondents who are in the age group between 31-40 years, tax benefits and social status worth and their respective mean scores are

3.3365 and 3.3221. Table further shows that the important reasons for preferring investment among the respondents who are in the age group between 41-50 years are liquidity is high and social status worth and their respective mean scores are 3.4279 and 3.3741 and among the respondents who are in the age group of above 50 years, past performance and future protection and their respective mean scores are 3.7424 and 3.4975. Regarding the reasons for preferring investment, the significant difference among the different age group of government employees, are identified in the case of liquidity is high, money is safe, usual returns, capital appreciation, tax benefits, future protection and past performance since the respective 'F' statistics are significant at 5 per cent level, the null hypothesis is rejected.

Gender Group of Government Employees and Level of Savings and Investment

Government employees of different gender group have different level of savings and investment. In order to find out the significant difference in level of savings and investment among different gender group of government employees in Tirunelveli district, 't' test is attempted with the null hypothesis as, **"There is no significant difference in level of savings and investment among different gender group of government employees in Tirunelveli district".** The result of 't' test for level of savings and investment among different gender group of government employees is presented in Table 4.

Table 4

Level of Savings and Investment among different gender group of Government Employees

Investment Schemes	Gender (Mean Score)		T-Statistics
	Male	Female	
Deposits in Bank	3.9841	3.9009	1.252
Savings and investment in Private Chit	2.9206	2.8694	0.438
Savings and investment in Provident Fund	1.6712	1.5979	1.676
Savings and investment in Private Financial Deposit	1.8730	1.8468	0.419
Savings and investment in Post Office Savings	3.3122	3.8613	2.657*
Savings and investment in Money Market Instruments	2.2928	2.2566	0.501
Savings and investment in ULIP	3.5714	3.5541	0.198
Savings and investment in Forex Trading	2.2646	2.2568	0.136
Savings and investment in Equity Shares	1.4099	1.3862	0.549
Savings and investment in Mutual Funds	1.4910	1.4312	1.420
Savings and investment in Government Bond	1.7613	1.7354	0.468
Savings and investment in Debenture	1.9815	1.8243	2.611*
Savings and investment in Gold	3.6587	3.6441	0.191
Savings and investment in Silver	3.3810	3.3604	0.268
Savings and investment in Diamond	2.2297	2.2487	0.307
Savings and investment in Land	3.9009	3.5069	2.723*
Savings and investment in Building	3.8378	3.7037	1.638
Savings and investment in Scheme of LIC	3.1466	3.1441	0.044

Source: Computed data

*-Significant at five per cent level

Table 4 shows the mean score of level of savings and investment among different gender group of government employees along with its respective 'T' statistics. The important investment among the male respondents are deposits in bank and savings and investment in land and their respective mean scores are 3.9841 and 3.9009 and among the female respondents, bank deposit and post office savings and their respective mean scores are 3.9009 and 3.8613. Regarding the level of savings and investment, the significant difference among the different gender group of government employees, are identified in the case of post office savings, debenture and land since the respective 'T' statistics are significant at 5 per cent level, the null hypothesis is rejected.

Age group of Government Employees and Level of Savings and Investment

Government employees of different age groups have different level of savings and investment. In order to find out the significant difference in level of savings and investment among different age group of government employees in Tirunelveli district, ANOVA is attempted with the null hypothesis as, **"There is no significant difference in level of savings and investment among**

different age group of government employees in Tirunelveli district". The result of ANOVA for level of savings and investment among different age group of government employees is presented in Table 5.

Table 5

Level of Savings and Investment among different age group of government employees

Investment Schemes	Age Group (Mean Score)				F Statistics
	Below 30 years	31-40 years	41-50 years	Above 50 years	
Deposits in Bank	3.8642	4.0105	4.0000	3.8636	1.229
Savings and investment in Private Chit	2.7500	3.1818	2.9036	2.8566	1.164
Savings and investment in Provident Fund	1.6106	1.6515	1.7000	1.6189	0.403
Savings and investment in Private Financial Deposit	1.9250	1.9394	1.8365	1.8566	0.424
Savings and investment in Post Office Savings	3.2500	3.2546	3.3030	3.3252	0.269
Savings and investment in Money Market Instruments	2.2000	2.3221	2.2517	2.2273	0.446
Savings and investment in ULIP	3.6000	3.6970	3.5481	3.5420	0.436
Savings and investment in Forex Trading	2.2500	2.3125	2.2448	2.1818	0.756
Savings and investment in Equity Shares	1.3182	1.4500	1.4545	1.4712	4.243*
Savings and investment in Mutual Funds	1.4021	1.4250	1.5000	1.5455	2.429*
Savings and investment in Government Bond	1.6750	1.7308	1.7424	1.7788	0.386
Savings and investment in Debenture	1.9091	1.9161	1.9250	1.9375	0.046
Savings and investment in Gold	3.5337	3.6678	3.8500	3.8485	2.946*
Savings and investment in Silver	3.2692	3.5000	3.4371	3.3485	1.667
Savings and investment in Diamond	2.0500	2.0909	2.2500	2.2972	2.445*
Savings and investment in Land	3.7424	4.0750	3.9375	3.7622	2.656*
Savings and investment in Building	3.6818	3.9500	3.7587	3.7308	0.707
Savings and investment in Scheme of LIC	3.1736	3.1714	3.0303	3.0000	1.609

Source: Computed data

*-Significant at five per cent level

Table 5 shows the mean score of level of savings and investment among different age group of government employees along with its respective 'F' statistics. The important investment among the respondents who are in the age group of below 30 years are bank deposit and land and their respective mean scores are 3.8642 and 3.9009 and among the respondents who are in the age group between 31-40 years, land and bank deposit and their respective mean scores are 4.0750 and 4.0105. Table further shows that the important investment among the respondents who are in the age group between 41-50 years are bank deposit and land and their respective mean scores are 4.0000 and 3.9375 and among the respondents who are in the age group of above 50 years, bank deposit and gold and their respective mean scores are 3.8636 and 3.8485. Regarding the level of savings and investment, the significant difference among the different age group of government employees, are identified in the case of equity shares, mutual funds, gold, diamond and land since the respective 'F' statistics are significant at 5 per cent level, the null hypothesis is rejected.

Type of investment yield better returns

In order to find out the significant difference in type of investment yield better returns among different gender group of government employees in Tirunelveli district, 't' test is attempted with the null hypothesis as, **"There is no significant difference in type of investment yield better returns among different gender group of government employees in Tirunelveli district".** The result of 't' test for type of investment yield better returns among different gender group of government employees is presented in Table 6.

Table 6

Type of Investment yield better returns among different gender group of Government Employees

Investment Schemes	Gender (Mean Score)		T- Statistics
	Male	Female	
Investment in Bank Deposit	3.1243	2.8333	3.106*
Investment in Private Chit	3.0928	2.8514	2.387*
Investment in Provident Fund	3.1164	2.8468	2.774*
Investment in Private Financial Deposit	3.0926	2.9144	1.832
Investment in Post Office Savings	3.1640	3.0045	1.582
Investment in Money Market Instruments	3.4101	3.2297	1.812
Investment in ULIP	3.3413	3.2079	1.158
Investment in Forex Trading	3.3677	3.2613	1.170
Investment in Equity Shares	3.2037	3.0676	1.395
Investment in Mutual Funds	3.2143	3.0766	1.929
Investment in Government Bond	3.2728	3.1171	1.170
Investment in Debenture	3.0926	3.0045	0.945
Investment in Gold	3.0608	2.9234	1.431
Investment in Silver	3.0317	2.8468	1.298
Investment in Diamond	3.2328	3.0270	1.335
Investment in Land	3.5529	3.5405	1.961
Investment in Building	3.5315	3.4815	0.132
Investment in Scheme of LIC	3.2698	3.0811	2.050*

Source: Computed data

*-Significant at five per cent level

Table 6 shows the mean score of type of investment yield better returns among different gender group of government employees along with its respective 'T' statistics. The important type of investment yield better returns among the male respondents are land and building and their respective mean scores are 3.5529 and 3.5315 and among the female respondents, land and building and their respective mean scores are 3.5405 and 3.4815. Regarding the type of investment yield better returns, the significant difference among the different gender group of government employees, are identified in the case of bank deposits, private chit, provident fund and scheme of LIC since the respective 'T' statistics are significant at 5 per cent level, the null hypothesis is rejected.

SUGGESTIONS

- The government employees should try to develop the intellectual property of their own it will expand the knowledge and develop investment skill, thereby understand the significant aspect like liquidity of assets and Investment Avenue.
- Investment in the form of bank deposits has been found most popular among the government employees as it alone accounts for more than half of the total investment made by them in the form of financial assets. The government employees attribute safety the main reason for making investment in bank deposits. Hence, it is suggested that the government employees should channelise their surplus in a diversified way so that they may get good returns.
- A predominant reason for government employees not going in for investment in industrial securities which has emerged from the present study is that most of the government employees are unaware about them. A sizeable chunk of government employees could not differentiate between equity shares, debentures, preference shares etc. majority of them had never even heard about them, hence, the very question of their investing in such securities does not arise. As such, is a pressing need for creating awareness among the government employees. This can be done through the use of magazines, circular, leaflets, audio-video programmes etc. in local languages.

CONCLUSION

The study has made an attempt to infer the investment behaviour of government employees. The study on investment behaviour of government employees has been undertaken with the objective of identifying the source of investment, investment preference and level of satisfaction on returns of investment of government employees in Tirunelveli district. Analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Tirunelveli district government employees prefer to invest in land, buildings and bank deposits but they do not prefer forex trading, equity shares, mutual fund, government bond and debenture. All the age groups give more important to invest in land, buildings, insurance and bank deposit. In Tirunelveli district government employees are more aware about various investment avenues like insurance, bank deposits, small savings like post office savings etc.

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