INVESTMENT PATTERN OF GOVERNMENT EMPLOYEES IN KERALA

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Abstract

The present study has selected the investment pattern of Government employees, a unique group of individuals who has respectful behaviour in society. The investment pattern included the objectives, perceived factors, Risk associated and the avenues selected by the employees. The employees' Personality was also taken for the study, and the relationship between the investment pattern and Personality has established using statistical inference. The demographic factors are partially affecting the investment pattern.

Keywords: Investment pattern, Government employees, Personality

INTRODUCTION

Investment is one of the most fruitful ways to make financial requirements for the future, where most of the circumstances are uncertain and volatile. With well-planned investment, one can get the fulfilment of security and surety in life. All investments have some risk, whether in stock, capital market, banking, real estate, bullion and Mutual fund. The degree of risk, however, varies on the basis of the features of the assets, securities, the mode of investment, time frame or the issuer of the security. Investment benefits individuals, the economy and society. In Kerala, the most secured working group are government employees, as per the perception of the general public. The demographic factors of the state also support the perception. The investment pattern of the Govt. employees was studied with the help of their Personality. In this study, the investment pattern included the objectives of investment, perceived factors affecting investment, risk perception, and selection of investment. The study enables the reader to know the investment pattern and Personality of the salaried class. This study will be a reference point for other researchers in the same field.

OBJECTIVES OF THE STUDY

- To analyse the investment pattern of select Government employees
- To understand the Personality and intelligence of select Government employees
- To know the differences in investment patterns among different groups of employees

- To study the significance of the relationship between the personality and investment pattern

HYPOTHESES

1. H_0: There is no significant difference in objectives and factors affecting investment among different age groups, income levels and geographical area
2. H_0: There is no significant difference in objectives and factors affecting investment among the Male and Female employees.
3. H_0: There is no significant relationship between the investment pattern and the Personality of employees

REVIEW OF LITERATURE

Venkateshraj, V. and Nagaraj, H. (2015) studied the investment pattern of employed women and found that women prefer low-risk products about which they are aware and are simple to understand. This makes provident funds and life insurance their natural choice and gained popularity among investors. They concluded that employed women do not make investment decisions alone but prefer to seek the help of parents, friends and relatives or their spouses.

Bindu, P. K. (2017) studied the investment pattern of college teachers in Kerala and found that the ultimate objective of the investor is to derive a variety of investments that meet his preference for Risk and expected return. The investor will select the portfolio which will maximise his utility. The temperament and psychology of the investor is another important consideration in making an investment decision by the investors.

Charly, C., and Lincy, P. T. (2019) analysed the relationship between the awareness level in various investments and the investment pattern of the high-income group in Kerala. The high-income group people are not interested in investing in financial assets, and they are more interested in traditional investment avenues. They found that lack of awareness of return and Risk involved in financial assets are the primary cause behind this attitude. The awareness of the investment avenues is directly related to their investment pattern.

RESEARCH METHODOLOGY

The study used a descriptive research method, and the survey was conducted among the three hundred and eighty-four government employees of Kerala. The samples are selected equally from Kottayam, Palakkad, and Kozhikode districts, representing the South, Central, and North zones. A questionnaire was prepared to understand investment patterns and Personality. The dimensions used for the questionnaire are the objectives of investment, factors considered while selecting the avenue, and perception of Risk. On the basis of data collected from respondents, analysis was made using the tools like t-test, ANOVA and correlation analysis.

RESULTS AND DISCUSSION

The analysis of the study is discussed here with the help of charts and statistical tables. The objectives of investment are identified.

Table 1.

Descriptive analysis

Variable	Mean	Std. Deviation
Personality of respondents	12.60	1.934
Objectives		
Primary Objectives	3.95	0.580
Other Objectives	3.82	0.794
Factors in investment		
Primary factors	3.86	0.579
Other factors	3.54	0.793
Selected Assets/ securities		
Rank 1 Mostly selected	0.64	0.354
Rank 2 More selected	0.40	0.269
Rank 3 Often selected	0.34	0.345
Rank 4 Selected	0.26	0.321
Rank 5 Less selected	0.25	0.266
Rank 6 Least Selected	0.24	0.325
The risk associated with Assets/ securities		
Low Risk perceived	2.00	0.645
Medium Risk perceived	2.71	0.808
High Risk perceived	3.50	0.808

Table 1 shows the mean and standard deviation of the variables in the study. The Personality shows the mean of 12.6, where the maximum value is 20. Primary objectives, other objectives are 3.95 and 3.82 mean value while the maximum is 5. The selected assets scored a maximum of 1; the most selected showed a mean of 0.64, and the least selected had a mean of 0.24. Risk is a maximum of five, and high Risk perceived showed a high score of 3.5 while the low Risk scored a low value of 2.00.

Table 2

Demographic analysis

Variable	Geographical area	Age	Income
Df (2,382)	F	F	F
Primary factors	2.307	1.00	3.689
Other factors	0.216	2.285	2.176
Primary Objectives	0.800	1.244*	3.158*
Other Objectives	2.688	3.432	2.925*

*p<0.05

Table 2 shows the significance of demographic variables related to investment patterns. Investment factors and objectives are not different according to the geographical area. The F value of Income and Age is significant for Primary objectives, and income is also significant in other objectives. Both the investment factors do not significantly differ according to age and income.

Table 3

Gender-wise analysis

Variable	Male		Female		t (382)	p
	M	SD	M	SD		
Primary factors	3.825	0.601	3.894	0.553	-1.167*	0.024
Other factors	3.422	0.763	3.661	0.806	-2.984*	0.003
Primary Objectives	3.921	0.606	3.972	0.550	-0.863	0.389
Other Objectives	3.771	0.780	3.866	0.808	-1.179	0.239

*p<0.05

Table 3 shows the analysis of the significance of gender in investment-related variables. Both categories of factors affecting investment significantly differ between males and females, whereas both the objectives do not significantly differ according to gender.

Figure 1.

Sources of Information and Factors affecting an investment decision

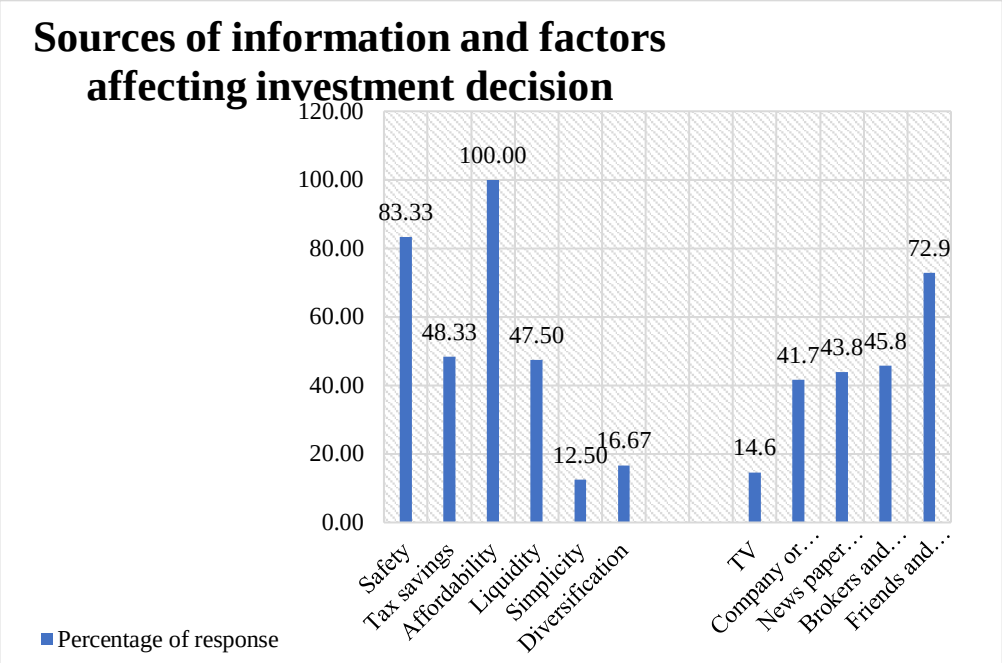

Figure 1 shows the sources of information for the investment. 72.9% of respondents get information from friends and family, and 45.8% get it from brokers and financial experts. 43.8% gets from newspapers and magazines, 41.7% from company/ websites and only 14.6% learn from TV programmes. The factors considering investment decisions as per the perception of government employees are shown in the chart. All the respondents believe that affordability is the primary factor considering the investment. Next, safety is treated as an essential factor to a majority of them.

Figure 2.

Selection of Investment avenues

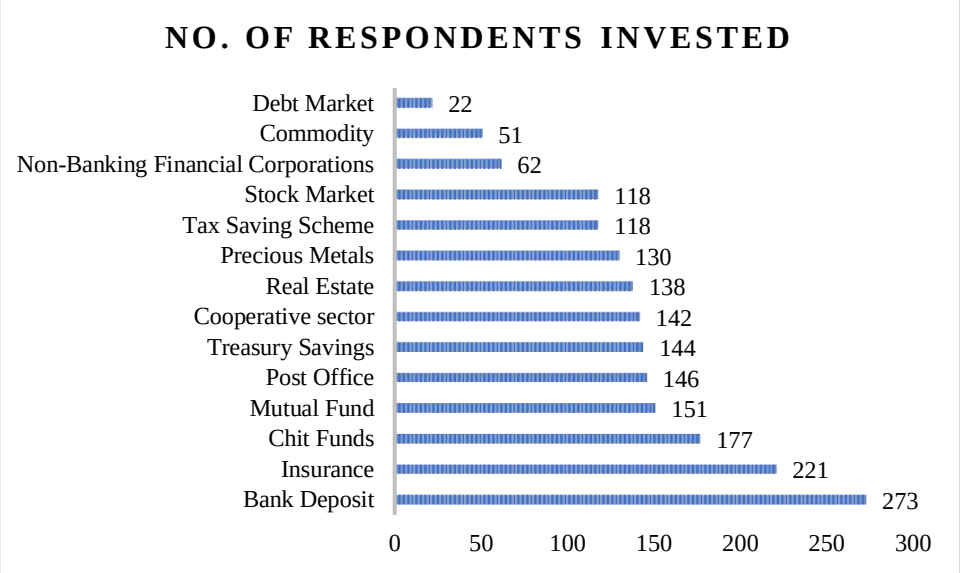

Figure 2 shows the numbers of respondents invested in the different assets and securities. Bank deposit is selected by most of them, and commodity is the least selected asset.

Table 4

Correlation analysis

Correlation with Personality of respondents

Variable	R-value
Objectives	
Primary Objectives	0.081*
Other Objectives	0.055
Factors perceived	
Primary Factors	.118*
Other Factors	0.067
The risk associated with Assets/ securities	
High Risk Perceived	0.101*
Medium Risk Perceived	0.069
Low Risk Perceived	-0.030
Selected Assets/ securities	
Rank 1 Mostly selected	-0.100
Rank 2 More selected	-0.050
Rank 3 Often selected	-0.050
Rank 4 Selected	0.096
Rank 5 Less selected	0.044
Rank 6 Least Selected	-0.031

*p<0.05

Table 4 shows the correlation coefficient between the investment-related variables and the respondent's personality. Primary factors affecting investment, primary investment objectives, and high-risk perception showed a significant relationship with Personality. All the other variables are not significantly related to Personality. Hence, H_0: There is no significant relationship between the investment pattern and the Personality of employees

CONCLUSION

Government employees depend on friends and relatives than financial experts or magazines. The study concludes that the investment patterns of government employees are related to their personality. The categories under demographic factors like gender, income and age are significantly different factors and objectives. Geographic categories are not differing significantly in factors and objectives of investment.

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