

A Study on Attitude of Bank Employees towards Investment Pattern in Surat City

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ABSTRACT

Investing is an effective way to put your money to work and potentially build wealth. Smart investing may allow your money to outpace inflation and increase in value. Investing is essential to achieve your goals. It is the only way to make your future better. By making investments, you are also saving and accumulating a corpus for a rainy day. Apart from that, making regular investments forces you to set aside a sum regularly, thereby helping you instill a sense of financial discipline in the long run.

The present research paper "A Study on Attitude of Bank Employees towards Investment Pattern in Surat City" has focused on investment patterns of Banking employees in Surat City by conducting a survey of 200 banking employees. The main objectives of this research paper are to find out awareness about various investment instruments, to find out the various investment instruments used by banking employees, to find out considerable factors for selecting the instruments, and to find out the duration of the investment.

The result of the study found that banking employees are well aware of various investment instruments and their most favorable investment avenues are IPO, Stock Market, and FD considering risks, return, safety, and retirement planning.

Keywords: Investment, Banking Employees, Investment Avenues.

Introduction

A nation's productive capacity depends on healthy capital formation. A robust savings ratio coupled with good capital mobilization is the basic macroeconomic variable, which performs a vital role in economic development. The ratio of a nation's savings and investment decisions also plays an important role in achieving strong stability in the capital market. Per person income ratio in India has been on increasing mode for the last decade. With the growth in the PCI, savings, and investment in the country have also displayed a northbound movement. At the same time, there has been a remarkable rise in the youth population. This has made India the youngest

nation with a demographic dividend appearing to be a reality. This young population is expected to drive the engine of development. In Economics, investment is generally held to mean formative on of capital. As such, from a pure economics point of view, the formation of physical assets is important when considering the investment.

Investment is the use of finances with the goal of generating extra revenue and increasing the valuation of the asset. One of the most important features of an investment is that it needs a good time period of waiting for a good return. Investment is the process of allocating monetary resources to assets that are expected to yield a

gain or positive return over a given period of time. You must invest in order to achieve your goals. At the heart of every investment decision is a risk-reward trade-off. Bank deposits, corporate security bonds real estate, small savings, life insurance plans, commercial deposits, mutual funds, and equity and preference shares are all examples of financial instruments.

Investors' behavior and investing patterns are indicated by the proportion of money they invest out of their total savings, the frequency with which they invest, the financial instruments in which they invest, and their risk aversion.

When compared with other Economic and Social Factors, a high rate of investment is a better indication for any economy, and it should herald prospects for fast growth for India. It's important to analyze all of the following information together. It highlights a tendency in India, in which a country's savings and investment rates climb in tandem with its GDP and PCI. Rather than a causal relationship where one variable rises as a result of the other, a correlation is noticed if both variables rise at the same time. An increase in a country's investment rate leads to higher capital formation, which leads to quicker growth, and faster growth leads to better PCI, which means more disposable income to save and invest.

The number of female investors has been constantly rising and mutual funds have come up as the most preferred investment option regardless of age and income bracket. According to a recent survey by Grow, an online investment platform, women in the age group of 18-25 were three times more likely to choose high-risk high-return asset classes like stocks rather than traditional classes like gold and FDs. It signifies a shift in the financial awareness and risk appetite of women, especially young millennials who are more than willing to explore and play against the odds.

An even greater transition has been seen in the millennials. Being the core income-earners in their homes, millennials are the ones making most of the prominent financial decisions in their respective families which makes their investment preferences more significant than ever. Most people do not rely on one income source and are continuously searching for other income sources. This is the reason why most people have started to invest in high-yield opportunities like SIPs, stocks, mutual funds, NFTs, ULIPs, and digital gold. This transition has been aided by the recent rise in the startup IPOs like Nykaa, Zomato, and Paytm in which the young generation has been actively taking part. Millennials along with some part of the GenZ population also do not fear making investments in alternative investment opportunities such as cryptocurrencies. The high volatility and uncertainty regarding the crypto market do not stop these intrepid investors from making huge bets.

It is true to acknowledge the fact that much of this change has been stimulated by the coming of the pandemic. The pandemic brought a major hit on the earnings and savings of people, especially the middle class and the consequence was that people had to align and adjust their portfolios to ensure long-term stability. Due to the pandemic, people have become more inclined toward having insurance and a greater emergency fund. Also, people are not only prioritizing insurance but also the amount of insurance coverage they are buying, which has also gone up.

As discussed above, people have been preferring riskier investments but due to the pandemic, people have become a little conservative in the past few months, although this is not the same for all classes of investors. The Public Provident Fund (PPF) also has gained more popularity due to its risk-free and tax-saving nature, especially for people prioritizing their retirement funds.

Domestic savings mainly fund domestic investment in India. Foreign capital inflows

account for less than 1% of GDP (. India was a primary beneficiary of foreign aid, but the total amount of aid was not yet necessary compared to the size of the economy.

The Indian financial framework comprises 12 public area banks, 22 private area banks, 44 unfamiliar banks, 43 provincial rustic banks, 1,484 metropolitan helpful banks, and 96,000 country agreeable banks notwithstanding helpful credit establishments. As of September 2021, the complete number of ATMs in India came to 213,145 out of which 47.5% are in country and semi-metropolitan regions.

As per the RBI, bank credit remained at Rs. 116.8 lakh crore (US\$ 1.56 trillion) on 31st December 2021. As of February 2022, credit to non-food ventures remained at Rs. 114.10 trillion (US\$ 1.53 trillion).

In FY18-FY21, bank resources across areas expanded. Absolute resources across the financial area (counting public and private area banks) expanded to US\$ 2.48 trillion in FY21.

In FY21, absolute resources in the general population and private financial areas were US\$ 1,602.65 billion and US\$ 878.56 billion, individually. 51% of banks work with a ROE underneath cost of value (COE), and 17 percent are beneath COE by multiple rate focuses. In an industry that has high capital prerequisites and is working in the midst of low loan fees, it is fundamentally difficult to make an incentive for investors. Truth be told, the nearly \$2.8 trillion of capital that was infused by investors and legislatures into banking throughout recent years disintegrated three to four rate points of ROE.

Literature Review

Soma Sundaram (1998) directed the exploration to assess the saving and speculation example of salaried individuals in the Coimbatore District. He observed that chit assets and bank stores were the most amazing known methods of saving in

the midst of financial backers. Simultaneously, UTI plans and ranch plans are the least marked modes. Financial backers' perspectives were exceptionally certain and portrayed their goal to put something aside for their expected necessities.

Ravi Vyas and Suresh C Moonat (2012) did a concentrate on the discernment and conduct of common asset financial backers. The review was completed to comprehend the inclination of financial backers venture roads, mode, and type of speculation liked by financial backers at Indore with an example size of 500 respondents out of which 363 respondents were putting resources into common assets, and this 363 respondents information was examined to emerge with ends. An organized survey was utilized to gather the information during individual meetings. To comprehend the idea of holding by the respondents, the chi-square test was utilized alongside the estimation of middle and mode. After investigation of information, it was observed that Gold was the most favored venture choice followed by bank stores and fixed stores

Dr. Varsha Virani (2012) propounded in her concentrate on investment funds and speculation model of teachers in Gujarat in which information is gathered from 100 teachers and led that a lot of the teachers are saving assets such as bank stores and government protections as their venture inclination.

Sobhesh Kumar Agarwal (2013) In his exploration paper titled "The concentrate on elements of monetary proficiency among the private worker in metropolitan Regions Indian Institute of Management Ahmadabad - 380015 India, the paper researched the concentrate because of different socio-segment factors on various components of monetary education among the functioning youth in metropolitan India. The review gave a logical premise for articulating a strategy for improving the efficiency of youth in India. The paper observed

that the degree of monetary education among the functioning youth in metropolitan India was like the levels that won among tantamount gatherings in different nations. The review observed the huge negative connection between monetary mentality and monetary way of behaving which was astonishing. The above concentrate on author Sobhesh Kumar Agrawal's infers that the training level of those respondents in the example, however, didn't convert into satisfactory monetary proficiency. Adolescent sent acted in a degenerate way which led to the noticed negative relationship between disposition.

V.R. Mournfully and Chandra Kumar (2013) In their examination paper review to inspected the Investment decisions of the salaried class in Namakwa Taluka, Tamilnadu, India with the assistance of 100 respondents as an example size and it uncovers that according to the Income level of workers, put resources into various roads. The age factor is additionally significant while doing speculations. The creator, at last, deduces in his review that examination of the age factor and furthermore significant pay level of the salaried representative is considerably more vital to interest in various roads.

Valliappan (2015) studies that there are different investment avenues with various levels of risk and return. The scenario of the capital market has offered a number of investment choices to investors. An investor in the capital market need not be a shocking experience provided the decisions are taken on the basis of analysis and expert advice. This necessitates the investor to set investment goals, and to work towards his target on the basis of sound analysis of market information.

Gasti (2017) says that there are various investment avenues available for investors to invest their savings in the present scenario of the market but these avenues have concentrated

more on urban areas. According to him, rural investors are not coming forward to invest their savings due to a lack of proper knowledge to manage their investment portfolio to maximize their return and minimize risk.

Objectives of the Study

- To analyze the various investment avenues used by Banking employees for the investment.
- To analyze the various factors to be considered for selecting investment avenues by Banking employees for the investment.

Research Methodology

- Descriptive Research design is applied for this research paper to come at a conclusion.
- Non-Probability Convenient Sampling Method Snow-Ball Sampling Method has been used to select samples from Surat City, to collect data from the selected sample, and to generalize the result for the population of Surat City.
- Contact number of respondents has been collected from various banks and through indirect contacts.
- Structured questionnaire is a data collection tool to survey the respondents from Surat City and collect the data. The survey period is November, 2021 – January, 2022.
- 200 responses have been collected as a sample size through Google a doc, which have been sent through WhatsApp and email and through personal contacts.
- Data has been formatted through Ms-Excel and SPSS-20. Descriptive Statistics, Kruskal-Wallis Test, Chi-Square Test and M1ann Whitney U Test were applied have been applied for data analysis and findings.

Table 1: Summary of Primary Data Collection

Demographic Profile of Respondents		Frequency	Total
Gender	Female	77	
	Male	123	
Age	15 - 25	36	
	26 - 35	60	
	36 - 45	65	
	46 - 55	29	
	56 and above	10	
Annual Income	Less than 2,00,000	13	200
	2,00,000 - 4,00,000	75	
	4,00,000 - 6,00,000	83	
	More than 6,00,000	29	
Education	Matric	3	
	Graduation	64	
	Post graduation	104	
	Professional	29	
Marital status	Married	105	
	Unmarried	85	
	Divorced	10	
Designation	Top	41	
	Middle	119	
	Low	40	
Type of Bank	Private	117	

Table 2 : Investment Profile of Respondents

Investment Profile of Respondents		Frequency	Total
% of Income for Investment	0 - 10	2	200
	10 - 20	39	
	20 - 30	74	
	30 - 40	56	
	40 - 50	21	
	50 - 60	7	
	60 - 70	1	
	70 - 80	1	
Preferred Investment Avenues	Insurance	17	
	Share	37	
	IPO	57	
	FD	31	
	RD	21	
	NSC	23	
	KVP	13	
	IVP	13	
Risk and Return criteria for investment	Return	144	
	Risk	57	
Preferred Sector Investment	Private Sector	130	
	Government Sector	130	
	Public Sector	136	
	Foreign Sector	106	

Source of Information for Investment	Broker	142
	Bank	115
	Friends	130
	T. V	113
	Internet	136
	Book	112
	Advisor	134
	Financial planner	121
Considered factors for Investment	Return	71
	High rate	63
	Safety	68
	Low risk	64
	Liquidity	63
	Good services	71
	Emergency	58
	Education	66
	Retirement	69
	Insurance	60
Expected Return	Up to 10%	10
	10% - 20%	79
	20% - 30%	75
	More than 30%	37
Actual Return	Up to 10%	28
	10% - 20%	67
	20% - 30%	71
	More than 30%	35

Hypothesis Testing

H_0 : There is no significance association between gender and preferred investment avenues.

H_1 : There is significance association between gender and preferred investment avenues.

Table 3 : Chi-Square Test

			In which instrument you invest?								Total
			insurance	share	IPO	FD	RD	NSE	KVP	IVP	
Gender	Male	Count	11	24	37	16	12	16	7	1	124
		Expected Count	10.5	22.8	35.2	19.1	13.0	14.2	8.0	1.2	124.0
	Female	Count	6	13	20	15	9	7	6	1	77
		Expected Count	6.5	14.2	21.8	11.9	8.0	8.8	5.0	.8	77.0
Total	Count	17	37	57	31	21	23	13	2	201	
	Expected Count	17.0	37.0	57.0	31.0	21.0	23.0	13.0	2.0	201.0	

It can be interpreted from the above analysis that the chi-square value here is greater than 0.05. i. e. 0.881 so the null hypothesis is failed to be rejected, thus it can be said that there is no association between Gender and Preferable instrument.

Kruskal Wallis Test:

H_0 : There is no significance difference among various Qualification of respondents for selection of sectors for investment.

H_1 : There is no significance difference among various Qualification of respondents for selection of sectors for investment.

Table 4 : Qualification of Respondents

	Qualification	N	Mean Rank
Private sector	Matric	4	90.62
	Graduation	64	104.76
	Post -Graduation	104	97.39
	Professional	29	107.09
	Total	200	
Government Sector	Matric	4	115.75
	Graduation	64	104.76
	Post -Graduation	104	100.29
	Pr ofessional	29	93.22
	Total	200	
Public Sector	Matric	4	118.75
	Graduation	64	104.62
	Post -Graduation	104	96.52
	Professional	29	106.62
	Total	200	
Foreign sector	Matric	4	103.75
	Graduation	64	95.90
	Post -Graduation	104	103.75
	Professional	29	10 2.02
	Total	200	

Table 5 : Test Results

	Private sector	Government Sector	Public Sector	Foreign sector
Chi - Square	1.623	1.544	2.295	.993
Df	3	3	3	3
Asymp. Sig.	.654	.672	.513	.803

It can be interpreted from the above analysis that the chi-square value here is greater than 0.05. i. e. 0.803 so the null hypothesis is failed to be rejected, thus it can be said that there is no difference among various Qualification of respondents and Preferable sector.

Mann Whitney U Test:

- H₀ : There is no significance difference between gender for considering various factors for selecting investment avenues
- H₁ : There is significance difference between gender for considering various factors for selecting investment avenues

Table 6 : Gender of Respondents

	Gender	N
Return	Male (Control)	124
	Female (Experimental)	77
	Tot al	201
High rate	Male (Control)	124
	Female (Experimental)	77
	Total	201
Safety	Male (Control)	124
	Female (Experimental)	77
	Total	201

Low risk	Male (Control)	124
	Female (Experimental)	77
	Total	201
Liquidity	Male (Control)	124
	Female (Experimental)	77
	Total	201
Good services	Male (Control)	124
	Female (Experimental)	77
	Total	201
Emergency	Male (Control)	124
	Female (Experimental)	77
	Total	201
Education	Male (Control)	124
	Female (Experimental)	77
	Total	201
Retirement	Male (Control)	124
	Female (Experimental)	77
	Total	201
Insurance	Male (Control)	124
	Female (Experimental)	77
	Total	201

Table 7 : Test Results

		Return	High rate	Safety	Low risk	Liquidity	Good services	Emergency	Education	Retirement	Insurance
Observed Control Group Span		158	177	164	174	168	175	162	172	169	171
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
Trimmed Control Group Span		158	177	164	174	168	131	162	172	169	171
	Sig. (1-tailed)	.000	.198	.000	.058	.002	.000	.000	.022	.004	.013
Outliers Trimmed from each End		6	6	6	6	6	6	6	6	6	6

From the above analysis it can be seen that the p value is greater than 0.05 for the variables high rate and low risk. Hence, it can be interpreted that there is no significance difference between gender for high rate & low risk. While for other variables the p value is less than 0.05 so we can say that there is a significant difference between gender for other variables.

Findings from Data Analysis:

- From this whole data analysis is majority of the respondents are 26 - 45 years of age group and so marketers can take a note from their responses and designing their strategy accordingly. Banking employees are which 123(61.5%) investors are male and remaining other 77 (38.5%) investors are female. Researcher found that the most of married peoples are aware and interested to invest their money for future security. Middle designation people are aware about their investment pattern in different avenue. Out of 100% 59.2% peoples invest their money in different avenues in bank. Whereas top and lower designation people are interested.
- Researcher found that the 74 respondents are investing their 20-30% money. Whereas 56 respondents are investing their 30-40% bank employee investing their money. Whereas above 60% of their income only 2 persons are investing their money. It is also found that

most of people are investing their money IPO and shares.

- Most of the banking employees interested to consider their high returns factor and low risk. From the whole analysis that the most of the investors get the information from the broker for the investment options. After that investor get the information from the Internet, Adviser, & Friends Respectively. Less number of the investors getting the information from the Book, TV & Bank.
- Researcher found that investors' less preferred the investment avenues like recurring deposit, post office, Mutual funds, real estate and Life insurance. FD, government securities and gold/silver are preferred for the investment. In NSC and equity are the investment avenues where investors are not sure for investing in that avenue or not.
- From the whole analysis it has been found that the most of the investors investing in the various investment avenues for the objectives like High Return, Low Risk, Liquidity, Good Service, Emergency, Education and Insurance Less Preferred in compare to the Return, Safety, & Retirement.
- Banking employee interested to invest their majorly monthly basis, 38 respondents prefer to invest on quarterly basis, followed by 33 respondents invest on half yearly basis and 24

respondents invest once in a year, while only 4 respondents prefer to invest on a daily basis.

- Researcher found that most of the people 79 people expect that they want 10-20% expected return. And 75 people expect that 20-30% return from their investment.
- From hypothesis testing, it has been found that there is no association between gender and preferred investment avenues for investment. There is no significant difference between gender while considering the various factors for investment avenues. There is no differences among various qualified investors for selecting the sector for investment.

Recommendations

- It is suggested to the Banking Employed Investors that, instead of keeping a long term investment, their time horizon should depend on their objectives and types of Investment Avenue.
- It is also suggested that not only do they need to know the investment avenues where they have invested, but be aware of the overall investment avenues also. This way they can make necessary changes for keeping their portfolio profitable.
- It is also suggested to the investors that at-least the equity portion of their portfolio must be reviewed regularly so that if stock is not performing, then necessary changes can be made.
- It is also suggested that investors should take advice from financial planner to make proper decision for investment.

Conclusion

Investment is very crucial decision for the future requirement. This study was conducted for banking sector employed investors. From the research analysis, it has been concluded that their

most preferred investment avenues for the banking sector employees are IPO, Stock Market and Fixed Deposit. Their most considerable factors for the investments are high return, safety, good services and retirement planning. Financial goals are not much considerable factor for selecting the investment avenue.

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