

A Study on Investment Pattern of Salaried Class Employees Working in Pharma Companies at Baddi District

Madan Singh Panwar¹, Dr. Kavita Aggarwal²

¹Research Scholar, USMS, Rayat Bahra University, Mohali (Punjab) India.

²Associate Professor, USMS, Rayat Bahra University, Mohali (Punjab) India.

ABSTRACT

This study attempts to understand the awareness and preference towards investment avenues among the salaried class employees working in pharmaceutical companies with respect to baddi district of Himanchal Pradesh. Today's the financial markets are more strong and providing many great opportunities for investors to invest their savings. The present study is based on primary data which is collected by distribution of structured questionnaire. Convenient random sampling method is used for selecting the sample of 70 employees from the five pharmaceutical companies. The respondents was categorized on the basis of demographics such as age, gender, marital status, education, annual income etc. the collected data were analyzed by using appropriate statistical tools & techniques. The study found that the employees prefer to invest in safe and secure investment avenues and avoid the risky investment options as they all still wants to play safe. Most of the respondents still prefer to invest their savings in bank fixed deposits, post office schemes, insurance policies to meet their future needs like children education & marriage.

Keywords: Investment, Awareness of Investment avenues, investment preference, salaried employees.

I INTRODUCTION

In present scenario, everyone wants to save for oneself as well as the family against unpredictable future. Investors have to decide where they put their saving so that the return will be profitable to them. Various investment avenues are available in the market, which provide more security and safety of the investor fund. The investors have to decide and set their investment portfolio from available opportunities by selecting the best investment options. It is not an easy task as it requires knowledge & awareness about investment concept & its features. Demographics characteristics also affect the investment preferences of the investors. Investment can be made in mutual funds, shares, bonds, fixed deposits, real estates, art work & jewellery etc.

Increase in income has resulted in growth of investment. Ups and down in stock market, rise in inflation rates affect the decision of investment of the investors. Most of the Indian people invest their saving/income in the investment option for their needs and necessities after retirement. They depend upon their relatives & friends who give them the advice about investment options. Every investor has to set off its own objectives and goals whether for short, medium, long term after considering the risk and return measures on adopted investment pattern. Investments are always interesting, challenging and rewarding. Future is uncertain, thus investor has to determine before how much risk he is willing to bear. Even a small amount of investing in investment options can gives more profitable rewards and returns over a long term. But to achieve a good profit the investors has full knowledge of investment decision i.e. where to invest, when to invest and how much to invest. Investors have to use his skill, knowledge, and experience while selecting /investing money.

Investors cannot avoid the risk but they can minimize the risk by investing their money in various forms of investment, which are considered as the safe forms of investment.

Many options are available for the investors to invest their savings. Each investment avenues has its own risk and return features. Investment avenues are available from bank deposit, post office schemes, government securities, provident funds, insurance policies, corporate deposits, pension's plans, real estates, gold & silver etc.

II REVIEW OF LITERATURE

Bindu. T (2017) investment plays a very significant role in the lives of salaried class employees. Before making any investment return, risk, liquidity, tax benefits must be considered by the investors. In today's scenario many new instruments avenues are available for the salaried employees who provide tax benefits along with high return and less risk. They studied the behavior of salaried employees towards investment in the district of palakkad. Most of the employees under study are well aware about the different investment and saving avenues. Today's annual income of investors is closely related to the percentage of making investment.

Varsha Virani (2014) analyzed the various avenues of investment & concluded during the study that teachers have been saving for the future in spite of them having a low level of income. They save and make investment in most profit options in which low risk is involved. Most of the respondents prefer to invest in bank deposits as it involves low risk and provide regular return. High rate of return & tax benefit has influence the investment decision of the respondents.

Ishwara P (2014) has made an analysis to determine the investment pattern of the salaried class employees in Mangalore city. The study concluded that most of the investors behaved rationally while investing in suitable options. Investors prefer maximize return with minimum risk investment avenues. The knowledge about the available options of investment in the market among the salaried class employees is low as a result they prefer traditional investment avenues only.

Sonali Patil & Kalpana Nandawar (2014) examined the relationship between income and investment level among the salaried class employees in the region of Pune. The study revealed that investors firstly prefer the safety of their investment then followed by liquidity, income appreciation and easy transferability. The researchers found that men are the most aware and making investment as compared to female employees. The main reason behind the investment is the security of their present and future and to get the capital appreciation and save for their children education and marriage. Most of the employees prefer to invest in traditional instruments like bank fixed deposits and insurance policies as they are more secure and safer than others investment avenues.

R. Ganpathi (2014) examined the investment pattern of Government employees in Madurai city. The study concluded that Government employees invested their saving in various financial and non financial products depending on their risk and return demands, safety of money and liquidity etc. Descriptive research design is carried out to describe the phenomena with a sample size of 240 Government employees. Data was collected and then analyzed by simple descriptive statistical tool chi-square test and founded that people attracts towards investment varies on the basis of age, gender, education level & occupation etc.

Sukhen Kali (2012) investigated the various retirements and tax benefits schemes for the employees working in both Governments as well as in private sectors organizations. The paper focused on those benefits which were received after retirement. The main finding of the study is that the retirement benefits has different advantages to both the employees of public and private sector as the Government employees enjoy more benefits in the form of PF, pension, gratuity etc from their employers whereas the private sector employees gets less benefits as it was limited to the PF from the employer only.

Dhiraj Jain & Parul Jain (2012) analyzed that demographic factors plays an important role & have a great impact on the investment decisions of the investors. Income level, age, marital status, education level, occupation etc affects the decision & market knowledge of the investors in Rajasthan. It is concluded from study that most of the teachers are saving for their children education, marriage and their family future needs.

III OBJECTIVES OF THE STUDY

- (a) To study the investment pattern of salaried class employees working in Pharmaceutical companies at Baddi district.
- (b) To study the impact of demographics factors on investment pattern of the employees.
- (c) To study the awareness levels among the employees regarding the available various investment avenues.

IV HYPOTHESIS

- (a) H0: There is no significant relation between education qualification and awareness of salaried class employees.
- (b) H0: There is no significant relation between annual income and age group of the employees.
- (c) H0: There is no significant relation between the income level and awareness of the employees.

V RESEARCH METHODOLOGY

In present study descriptive survey research method was used. Data was collected by using a simple questionnaire method. The questionnaire was distributed to the 80 salaried class employees of Pharmaceutical companies at Baddi district of Himanchal Pradesh. Out of 80 respondents 70 were able to answer hence 70 respondents covered under the study. In addition to this the secondary data was also collected from various newspapers, journals, magazines, books, and websites etc. The collected data were analyzed with the help of statistical tools and technique like percentage analysis, Anova and chi square. Data were collected from the employees working in Health bio tech, Venus remedies, Smilex, Glen mark and nectar life sciences pharmaceutical companies situated at baddi district of Himanchal Pradesh.

Sr.No	Company Name	No. of Respondents
1	Health Bio Tech	15
2	Venus Remedies	10
3	Smilex	15
4	Glenmark	15
5	Nectar Life Sciences	15
Total		70

VI DATA ANALYSIS AND INTERPRETATION

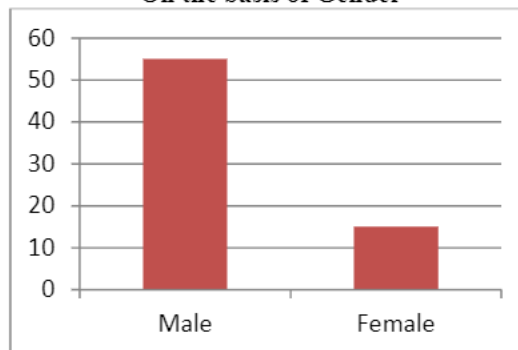
Table-1

Socio – economic profile of respondents

Variable	Categories	Frequency	Percentage %
Gender	Male	55	78
	Female	15	22
Age	20-25	18	26
	25-45	37	53
	45-60	15	21
Marital Status	Married	36	51
	Unmarried	34	49
Family type	Joint	12	17
	Nuclear	58	83
Education	UG	17	24
	PG	39	56
	Others	14	20
Residence	own	48	69
	rented	22	31
Income	150000-250000	19	27
	250000-500000	41	59
	Above 500000	10	14
Experience	Upto 1 Year	10	14
	1-5 Year	55	78
	Above 5 Year	05	08
Annual Investment	Less than 20000	25	36
	20000-30000	10	14
	30000-50000	18	26
	Above 50000	17	24

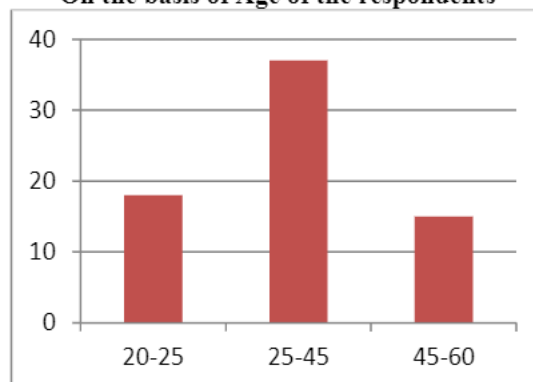
Source: Primary Data

On the basis of Gender



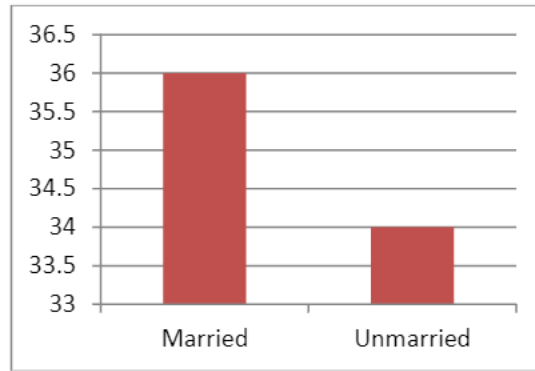
Among the respondents, 78 % are male whereas 22% are female.

On the basis of Age of the respondents



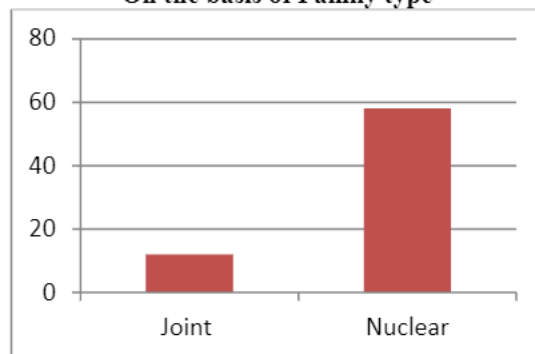
It may be observed from the above table that 26% of the respondents belong to the age category of 20-25 years followed by 53% in 25-45 years category, 21% in age group 45-60 years.

On the basis of Marital Status



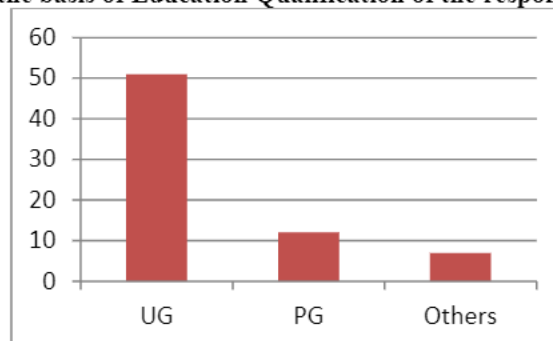
The above table shows that 51% of the respondents are married and rest of them 49 % of the respondents are unmarried.

On the basis of Family type



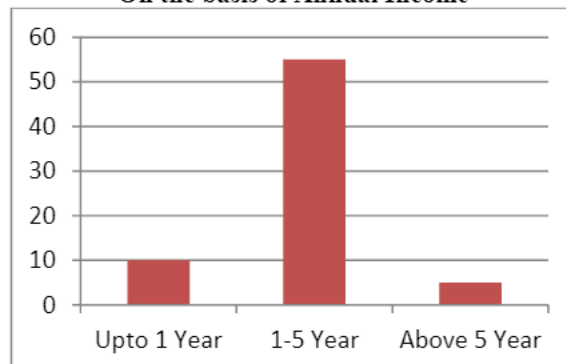
Among the respondent's 17 % of employees working in baddi district living in joint family category whereas 83% are comes under nuclear family category

On the basis of Education Qualification of the respondents

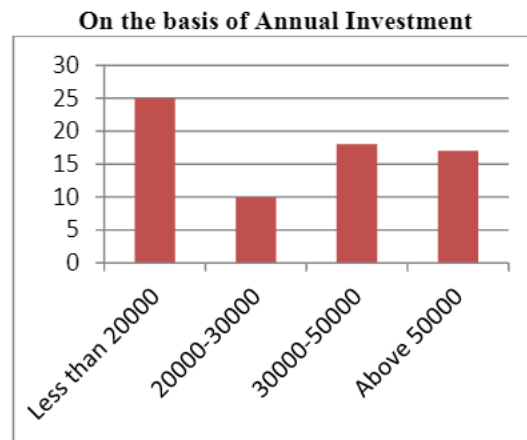


Among the respondents 24% of the employees are under graduate whereas about 56% respondents are post graduate and 20% employees holding the diploma and certificate courses.

On the basis of Annual Income



It may be observed from the above table that 27% respondent's annual income varies between 1.5 to 2.5 lakh, 59% respondents annual income lies between 2.5 to 5.0 lakh and 14% respondents annual income lies above 5.0 lakh.



The above table shows that 36% of the respondents made annual investment less than Rs. 20000/- 14% respondents made investment between Rs.20000-30000 whereas 26% respondents made investment

between Rs.30000-50000 and rest of them 24 % of the respondents made annual investment above Rs. 50000/-

Table-2
Awareness level of Respondents towards the various available investment avenues

Investment Avenues	No of respondents those are not aware about investment avenues	No of respondents those are aware about investment avenues	Total
Bank Deposits& Fixed Deposit	09	61	70
Mutual Funds	48	22	70
Life Insurance	15	55	70
Gold/Silver	10	60	70
PF & PPF	05	65	70
Pension Funds	33	37	70
Shares and securities	35	35	70
Debentures& Bonds	42	28	70
Real Estates	40	30	70
Post Office Saving Schemes	36	34	70
Certificates of Deposits	42	28	70

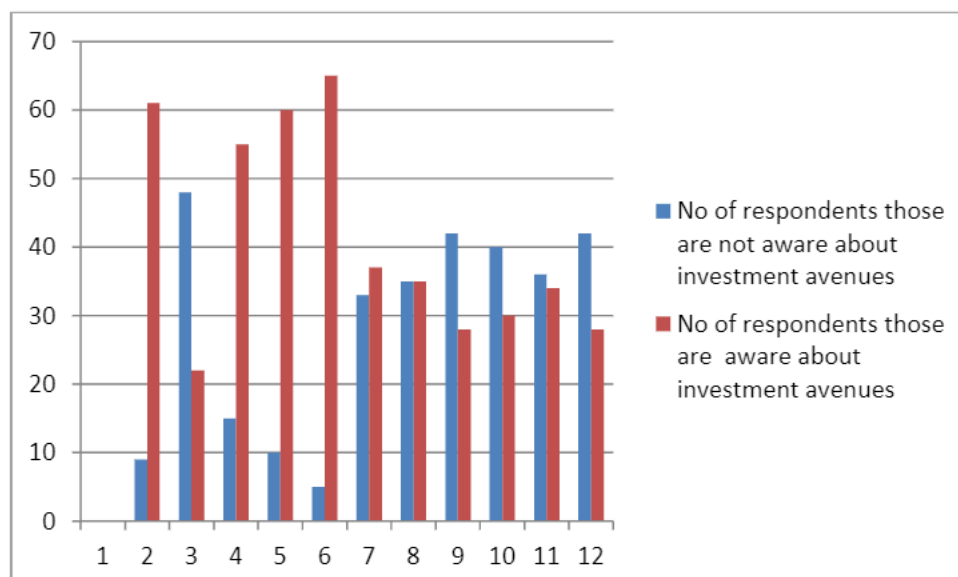


Table 2 shows the awareness level of Respondents towards the various available investment avenues in market. Most of female employees are still not aware about modern investment options. PPF, Bank

deposits, post office schemes and insurance policies are still most preferable by the employees used for their saving and investment purpose.

Table-3
Main purpose of Investment

Sr.no	Particular	No of Respondents
1	High Returns	51
2	Tax Benefits	58
3	Retirement benefits	59
4	Liquidity	67
5	Safety and Security	65
6	Uncertain needs and emergency	10
7	Children Marriage	35
8	Children Education	48

Table 3 shows the main purpose of investment among the employees working in pharmaceutical companies. Safety of invested amount, security,

liquidity, income stability is the main purpose of investment shows by employees.

VII HYPOTHESIS TESTING

- (a) **H₀**: There is no significant relation between Educational Qualification and awareness of the employees.

Table 4
Relationship between Educational Qualification and awareness of the employees:

Educational Qualification	No of Employees Aware	No of Employees Not Aware	Total
Post Graduate	31	8	39
Under Graduate	12	5	17
Others	12	2	14
Total	55	15	70

Chi-Square test has been applied and result of test is below

Degree of Freedom

$$V=(r-1)(c-1)$$

$$V=(3-1)(2-1)$$

$$V=2$$

Degree of Freedom	2
Table valve at 5% level	5.99
Calculated valve	8.557

Since the calculated valve of chi-square test 8.557 is more than the table valve at 5% level of significance. So the null hypothesis is rejected. Hence there is

significant relation between educational qualification and awareness of the employees.

- (b) **H₀**: There is no significant relation between annual income and age group of the employees.

Table 5
Relationship between annual income and age group of the employees:
F.test (Anova) has been applied and result of test is below

Sources	Sum of Square	Degree of Freedom	Mean Sum of Square	F. Ratio
Between	651.00	2	325.50	4.45
Within	658.00	9	73.11	

Total	1309.11	11		
--------------	----------------	-----------	--	--

Since the calculated value of F-ratio 4.45 is more than the table value at 5% level of significance which is 4.26 at df (2 and 9). So the null hypothesis is

rejected. Hence there is significant relation between annual income and age group of the respondents

(c) **H0**: There is no significant relation between the income level and awareness of the employees.

Table 6
Relationship between the income level and awareness of the employees:

Income Level	No of Employees Aware	No of Employees Not Aware	Total
150000-250000	15	4	19
250000-500000	28	13	41
Above 500000	10	0	10
Total	53	17	70

Chi-Square test has been applied and result of test is below

Degree of Freedom

$$V=(r-1)(c-1)$$

$$V=(3-1)(2-1)$$

$$V=2$$

Degree of Freedom	2
Table value at 5% level	5.99
Calculated value	4.544

Since the calculated value of chi-square test 4.544 is less than the table value at 5% level of significance. So the null hypothesis is accepted. Hence there is no significant relation between income level and awareness of the employees.

followed by gold & silver. Everyone wants to play safe and invest to meet their future goals after retirement. There is more scope of investment opportunities from the salaried class employees but due to lack of awareness and information they are not able to invest their saving in more secure and profitable options. For this the government and other institutions must organize awareness programmes and camps for the creating awareness and provide reliable information about the savings and investment options.

VIII FINDINGS OF THE STUDY

- Bank deposits and insurance are the most preferred investment avenues.
- 48% respondents are married and save money for the children education.
- Male staffs are more aware about available investment avenues than female staff.
- 58 % respondents are making investment for tax benefits.
- Demographic variables like age, sex, age, maritalstatus and educational qualification also affect the investment and saving decisions
- Most of the employees preferred to invest for the emergency needs.
- High returns and risk taking investment options are equally preferred by the employees.
- 59% of the employees are making investments for the benefits after retirement.

REFERENCES

- [1] Bindu. T, Savings and Investment Pattern of Salaried Employees in Palakkad District, International Journal of Finance Research Review, Volume 5, Issue 6, pp111-116, June 2017.
- [2] Varsha Virani, Saving and Investment Pattern of School Teachers – A Study with Reference to Rajkot City, Gujarat, Abhinav Journal of Research in Commerce and Management, Volume 2, Issue 4, pp 13-27, 2014
- [3] Ishware P, Investment Behaviour and Satisfaction of Salaried Employees: A Study with reference to selected employees in Mangalore City., International Journal of Advances in Management, Economics and Entrepreneurship, Volume 1, Issue 3, pp1-6, July 2014.

IX CONCLUSION

The study gives the general views regarding the investment pattern and preference among the salaried class employees. Most of the investors invest in risk free investment avenues. The study concluded that employees of baddi district still prefer to invest their savings in traditional investment options like bank fixed deposits, LIC, post office schemes, PPF

- [4] Sonali Patil & Kalpana Nandawar, A Study on Preferred Investment Avenues among Salaried people with reference to Pune, India, Journal of Economics and Finance, Volume 5, Issue 2, pp 09-17, Sep-Oct 2014
- [5] R Ganapathi, Investment Pattern of Government Employees in Madurai City, Journal of Management Research and Analysis, Volume 1, Issue. 1, pp 66-76, October 2014.
- [6] Sukhen kali, Empirical study on retirement benefit of government employees and private sector employees (covered by EPF & MP Act) in India, Global Research Analysis , Volume 1, Issue 5, pp 52-54, November 2012
- [7] Dhiraj Jain & Parul Jain, Impact of Demographic factors on Investment Decision of Investors in Rajasthan, Researchers World – Journal of Arts, Science and Commerce, Volume 3, Issue 2(3), pp 81-92, April 2012.
- [8] Pratibha Chaurasia, A Study of Investment Preferences of Investors, International Journal of Application or Innovation in Engineering & Management, Volume 6, issue 7,pp. 29-35, July 2017.
- [9] Devi Mohan ,A Study on Income and Investment Pattern of Working Women in Kollam City, International journal of Finance Research Review, Volume 4, Issue 9, pp 15-19, September 2016.
- [10] www.wikipedia.org
- [11] www.investopedia.com