Research Article

FACTORS INFLUENCING SAVINGS AND INVESTMENT DECISION OF TEXTILE EMPLOYEES AND EXECUTIVES IN TIRUPUR CITY – AN EMPIRICAL STUDY

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A R T I C L E   I N F O

A B S T R A C T

Savings provides the financial protection to the individual saver at the time of emergency. Investment is an economic activity of employment of funds with the expectation of receiving a stream of benefits in the future. Tiruppur is the biggest centre for exports of knitwear in India and seen as one of the most dynamic garment clusters in the developing world. There are several factors which influence the textile executives and employees to save and invest money in plethora investment avenues. Depending on the suitability of the characteristics of investment avenues to their requirements, textile executives and employees choose the investment channels. This study has been undertaken to analyse the factors influencing savings and investment decision of textile employees and executives in Tirupur City, Tamil Nadu. Results revealed that Self decision and Brokers and Investment Agents have been identified as the most influencing personal factors for savings and investment decision of the textile executives and employees. Results also revealed that Low risk and Return are the highly influencing investment features influencing savings and investment decision of the textile executives and employees.

INTRODUCTION

Savings plays very important role in making of the household and the national economy. Savings provides the financial protection to the individual saver at the time of emergency. It is necessary to have saving plan because it will help in meeting financial goals like secure future, children's education, meeting the demands of the family etc.

Investment is the allocation of monetary resources that are expected to yield some gain or positive return over a given period of time. Investors are supplier of funds to the economy. Investment is an economic activity of employment of funds with the expectation of receiving a stream of benefits in the future. Investment is mainly done with the objective like wanting a home, creating a regular income after retirement, and possessing money for the child's education.

Textile industry is one of the main pillars holding the Indian Economy. It constitutes about 14 per cent of industrial production, 20 per cent of total export earnings, 4 per cent of GDP and direct employment to an estimated 35 million people. India's entire share in the world textiles trade is still maintained at around 3 per cent.

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Statement of the Problem

Savings plays very important role in making of the household and the national economy. Savings provides the financial protection to the individual saver at the time of emergency. It is necessary to have saving plan because it will help in meeting financial goals like secure future, children's education, meeting the demands of the family etc. In order to attract the individual for savings a part of their income, various efforts had been made by the government and various financial institutions like different saving plans with attractive high rates of interest.

Tiruppur is the biggest centre for exports of knitwear in India and seen as one of the most dynamic garment clusters in the developing world. It is home to several large export firms, thousands of subcontractors and processing firms employing anywhere between three to five lakhs workers. People save the money in order to meet the financial requirements in future because the future is unpredictable. So savings are required in order to meet the financial requirements. There is a vast scope of savings and investment because of the presence of a large number of textile employees and executives in Tirupur City and the circulation of money is also high. There are several factors which influence the textile executives and employees to save and invest money in plethora investment avenues. Depending on the suitability of the characteristics of investment avenues to their requirements, textile executives and employees choose the investment channels. This study has been undertaken to analyse the factors influencing savings and

investment decision of textile employees and executives in Tirupur City, Tamil Nadu.

REVIEW OF LITERATURE

Awais *et al*. explored that the factors which influence the decision-making process of investors. According to their research, the decisions of the investors depend upon the degree of the risk factors. Finally, they found that the increased level of knowledge about financial information and the increased ability of analysing that information, investor could improve the capacity jump into risky investments for earning high returns by managing investment efficiently.

Selvi found that the conventional investment avenues bank deposits and gold are the most preferred avenues while insurance schemes and post office instruments are getting increased attention and most of the respondents have not preferred to invest their savings in UTI and mutual funds.

Shukla concluded that majority of the respondents invested their money based on education background and they invested in purchasing home and long-term investment. Respondents have the criteria of investment as safety and low risk.

Objectives of the Study: The objectives of the study are as follows:

1. To identify the personal factors influencing savings and investment decision of textile employees and executives.
2. To examine the investment features influencing savings and investment decision of textile employees and executives.

Hypotheses of the Study

H_{01}: The average opinion score of the respondents on factors influencing savings and investment decision classified on the basis of nature of job and type of work carried is the same.
H_{02}: There exists no similarity among the respondents in ranking the investment features influencing savings and investment decision.

Area and Period of the Study: The study on factors influencing savings and investment decision of textile employees and executives is confined to Tirupur City only. The study was conducted from October 2017 to March 2018.

Collection of Data: The study used both primary and secondary data. The required primary data are collected through well structured questionnaire. Secondary data are gathered through books, journals, magazines, websites and other research works.

Sampling Design: To achieve the objectives of the study, Tirupur city has been purposively selected as the study area. The population of the research consists of employees and executives working in textile companies in Tirupur city. The list of textiles employees and executives could not be obtained. The method of sampling used for selecting sample respondents for the study is non-probability convenience sampling method. The sample size selected for the study is 607 respondents.

Tools Used For Data Analysis: The statistical tools used for analysis are Percentage Analysis, Garrett Ranking Analysis, kendall's Coefficient of Concordance Test and ANOVA F Test.

RESULTS AND DISCUSSIONS

Overall Distribution of Respondents Based on Their Opinion on Factors Influencing Savings and Investment Decision

Table 1 displays the overall distribution of investors based on their opinion on factors influencing investment decision (Education level, Age, Safety of money, Secure retirement life, Best returns, Children's marriage / education, Acquire wealth, Advertisement and Media, Prestige value, Investment schemes, Friends and relatives and Additional source of income) using simple percentage analysis.

Table 1 Overall Distribution of Respondents based on Factors Influencing Savings and Investment Decision

Opinion on Factors Influencing Investment Decision	Frequency	Per Cent	Cumulative Per Cent
Influencing	515	84.8	84.8
Not Influencing	92	15.2	100.0
Total	607	100.0	

Table 1 conveys that 84.8 per cent of the respondents feel the factors are influencing the investment decision and only 15.2 per cent of the respondents feel the factors are not influencing the investment decision.

Association between Nature of Job of Respondents and Average Opinion Score on Factors Influencing Savings and Investment Decision – Anova 'F' Test

To test the hypothesis that the average opinion score of the four groups of respondents classified on the basis of nature of job is the same, 'F' test has been applied.

Table 2 Average Opinion Score of the Respondents on Factors Influencing Savings and Investment Decision Based on Nature of Job

Nature of Job of the Respondents	Mean	N	Std. Deviation	% of Total N
Workman	39.17	276	6.61009	45.5%
Clerical	40.45	185	4.49387	30.5%
Supervisor	40.45	106	5.32583	17.5%
Managerial	45.83	40	7.68578	6.6%
Total	40.23	607	6.10525	100.0%

Table 2 displays that the average opinion score of the respondents who are managerial employees (45.83) is higher than that of clerical workers (40.45), supervisors (40.45) and workmen (39.17).

Table 3 Nature of Job and Average Opinion Score of the Respondents on Factors Influencing Savings and Investment Decision: ANOVA 'F' test

Particulars	Sum of Squares	df	Mean Square	F	p value
Between Groups	1574.528	3	524.843	15.061	.000
Within Groups	21013.551	603	34.848		
Total	22588.079	606			

From Table 3, it is found that p value (.000) is lesser than the value of 0.05 at 5% Level of Significance. Hence, the hypothesis is rejected and it is concluded that the average opinion score of the four groups of respondents classified on the basis of nature of job is not the same.

Association between Type of Work Carried By Respondents and Average Opinion Score on Factors Influencing Savings and Investment Decision – Anova 'F' Test

To test the hypothesis that the average opinion score of the six groups of respondents classified on the basis of type of work carried is the same, 'F' test has been applied.

Table 4 Average Opinion Score of the Respondents on Factors Influencing Savings and Investment Decision Based on Type of Work Carried

Type of Work Carried of the Respondents	Mean	N	Std. Deviation	% of Total N
Fabrication/Knitting	37.52	62	6.83468	10.2%
Dyeing and Bleaching	40.70	70	6.30010	11.5%
Compacting	39.52	62	7.67312	10.2%
Printing	38.29	41	8.22874	6.8%
Embroidery	41.04	57	7.43295	9.4%
Finishing (Production)	40.90	315	4.64359	51.9%
Total	40.23	607	6.10525	100.0%

Table 4 discloses that the average opinion score of the respondents belong to the type of work carried group of Embroidery (41.04) is higher than that of type of work carried group of Finishing (Production) (40.90), Dyeing and Bleaching (40.70), Compacting (39.52), Printing (38.29) and Fabrication/Knitting (37.52).

Table 5 Type of Work Carried and Average Opinion Score of the Respondents on Factors Influencing Savings and Investment Decision: ANOVA 'F' test

Particulars	Sum of Squares	df	Mean Square	F	p value
Between Groups	835.244	5	167.049	4.615	.000
Within Groups	21752.835	601	36.194		
Total	22588.079	606			

From Table 5, it is found that p value (.000) is lesser than the value of 0.05 at 5% Level of Significance. Hence, the hypothesis is rejected and it is concluded that the average opinion score of the four groups of respondents classified on the basis of type of work carried is not the same.

Personal Factors Influencing Savings and Investment Decision of the Respondents

There are several personal factors influencing savings and investment decision of the respondents. Hence an attempt here is made to analyse the personal factors influencing savings and investment decision in the study area.

Personal factors such as Self Decision, Friends and Colleagues, Audio, Visual and Print Media, Brokers and Investment Agents, Family members and Relatives and Prestige value are found common factors influencing savings and investment decision and these are analysed with the help of Garret Ranking Analysis.

By referring the Garrett's Table, the per cent position estimated is converted into scores. Accordingly, score value as per Garrett Ranking Analysis for first rank to sixth rank is as 77, 63, 54, 46, 37 and 23 respectively. Then for each factor, the scores of each respondent are added and then mean value is calculated. The factor which has the highest mean value is considered to be the first. Table 2 depicts the personal factors influencing savings and investment decision.

Table 6 Personal Factors Influencing Savings and Investment Decision of the Respondents – Garrett Ranking Analysis

Rank Score Value Factors	1 77	2 63	3 54	4 46	5 37	6 23	Total Score	Mean Score	Rank
Self decision	39655 515	2520 40	918 17	598 13	444 12	230 10	44365 607	73.09	1
Friends and Colleagues	1463 19	10962 174	6102 113	6348 138	4699 127	828 36	30402 607	50.09	4
Audio, Visual and Print Media	1155 15	1953 31	2916 54	6118 133	4699 127	5681 247	22522 607	37.10	5
Brokers and Investment Agents	1925 25	10899 173	10422 193	4830 105	2183 59	1196 52	31455 607	51.82	2
Family members and Relatives	1540 20	9576 152	9774 181	6808 148	2368 64	966 42	31032 607	51.12	3
Prestige value	1001 13	2268 36	2646 49	3220 70	7992 216	5129 223	22256 607	36.67	6

Table 6 describes that Self decision has been identified as the most influencing personal factor for savings and investment decision with the highest mean score of 73.09 as most of the respondents have better exposure in their family and Brokers and Investment Agents has been identified as the second most influencing personal factor for savings and investment decision with the second highest mean score of 51.82 as they are specialised in this investment field. Family members and Relatives and Friends and Colleagues are identified as the third and fourth influencing personal factors with the mean scores of 51.12 and 50.09 respectively. The personal factors Audio, Visual and Print Media and Prestige value are considered as the least influencing personal factor for savings and investment decision by the respondents.

Investment Features Influencing Savings and Investment Decision of the Respondents – Kendall's 'W' Test of Mean Ranks

Table 7 shows the investment features influencing savings and investment decision of the respondents using Kendall's 'w' test of mean ranks.

Table 7 Investment Features Influencing Savings and Investment Decision of the Respondents - Kendalls 'W' Test of Mean Ranks

Investment Features Influencing Savings and Investment Decision	Mean Rank	Rank
Liquidity	4.58	3
Safety	3.98	5
Security	2.86	6
Return	4.98	2
Capital appreciation	4.43	4
Tax minimisation	1.68	7
Low risk	5.50	1

Table 7 shows that Low risk is the highly influencing investment feature influencing savings and investment decision opined by the respondents with the highest mean score of 5.50 and Return is the second influencing investment feature influencing savings and investment decision as opined by the respondents with the second highest mean score of 4.98 according to Kendall's 'w' test of concordance mean ranks. Liquidity (4.58), Capital appreciation (4.43) and Safety (3.98) are the third, fourth and fifth influencing investment features opined by the respondents. Security (2.86) and Tax minimisation (1.68) are identified by the respondents as the least influencing investment features with the lowest Kendall's 'w' test of concordance mean ranks.

Investment Features Influencing Savings and Investment Decision of the Respondents - Kendall's Coefficient of Concordance

H_0: There exists no similarity among the respondents in ranking the investment features influencing savings and investment decision.

Table 8 shows kendall's coefficient of concordance for investment features influencing savings and investment decision of the respondents.

Table 8 Investment Features Influencing Savings and Investment Decision of the Respondents -Kendall's Test Statistics - Kendall's Coefficient of Concordance

N	607
Kendall's W	.371
Chi-Square	1350.873
df	6
Asymp. Sig.	.000

Table 8 clearly shows that the Kendall's coefficient of concordance W value is 0.371 which denotes that there is a moderate agreement among the respondents in ranking and it is statistically significant as the p value (0.000) does not exceed 0.05. Hence, the null hypothesis is rejected. Hence there exists similarity among the respondents in ranking the investment features influencing savings and investment decision.

CONCLUSION

The study revealed that majority of the respondents are influenced by the factors are influencing the savings and investment decision. The study highlighted that the average opinion score on factors influencing the savings investment decision of the respondents who are managerial employees is higher than the rest. The study exposed that the average opinion score of the respondents belong to the type of work carried group of Embroidery is higher than the rest. Self decision and Brokers and Investment Agents have been identified as the most influencing personal factors for savings and investment decision of the textile executives and employees. Low risk and Return are the highly influencing investment features influencing savings and investment decision of the textile executives and employees. Some of the major findings of the study have been highlighted. If these are taken care of properly, this would help in converting the savings of textile employees and executives more into investments thereby ultimately benefitting them through increasing returns and ensuring future safety.

Reference

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