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A STUDY ON SAVINGS AND INVESTMENT PATTERN OF TEXTILE EMPLOYEES AND EXECUTIVES IN TIRUPUR CITY

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INTRODUCTION

Savings and investment have been considered as two critical macro-economic variables with microeconomic foundations for achieving price stability and promoting employment opportunities thereby contributing to sustainable economic growth. Savings is the positive difference between Income and Expenditure. 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.

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. This study has been undertaken to analyse the savings and investment pattern 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 savings and investment pattern of textile employees and executives.

2. To examine the relationship between nature of job of the employees and various investment avenues.

HYPOTHESES OF THE STUDY

$H_{01:}$ The mean ranking of the preference of the respondents over various investment avenues does not differ.

H_{02}: There is no significant relationship exist between nature of job and Savings in commercial/co-operative bank investments, Post office savings investments, Insurance investments, PF/ESI investments and Physical investments.

AREA AND PERIOD OF THE STUDY: The study on savings and investment pattern 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, Mean Rank Analysis, Friedman Ranking Test and Chi-square Test.

RESULTS AND DISCUSSIONS

SAVINGS AND INVESTMENT PATTERN OF TEXTILE EMPLOYEES AND EXECUTIVES

Table 1: Monthly Savings of the Respondents

Monthly Savings	Frequency	Per cent	Cumulative Per cent
Up to ₹1000	148	24.4	24.4
₹1001-₹2000	244	40.2	64.6
₹2001-₹3000	148	24.4	89.0
₹3001-₹4000	31	5.1	94.1
Above ₹4000	36	5.9	100.0
Total	607	100.0	

Table 1 displays that majority of the respondents (40.2 per cent) have ₹1001-₹2000 as their monthly savings followed by 24.4 per cent each of the respondents have up to ₹1000 and ₹2001-₹3000 as their monthly savings, 5.9 per cent respondents have above ₹4000 as their monthly savings and 5.1 per cent respondents have ₹3001-₹4000 as their monthly savings.

Table 2: Monthly Investment of the Respondents

Monthly Investment	Frequency	Percent	Cumulative Percent
Up to ₹1500	314	51.7	51.7
₹1501-₹3000	197	32.5	84.2
₹3001-₹4500	60	9.9	94.1
Above ₹4500	36	5.9	100.0
Total	607	100.0	

Table 2 exhibits that majority of the respondents (51.7 per cent) have up to ₹1500 as their monthly investment followed by 32.5 per cent respondents have ₹1501-₹3000 as their monthly investment, 9.9 per cent respondents have ₹3001-₹4500 as their monthly investment and 5.9 per cent respondents have above ₹4500 as their monthly investment.

Table 3: Reasons for not able to convert Savings Fully into Investment

Reasons for not Converting	Frequency	Per cent	Cumulative Percent
Unexpected expenses	124	20.4	20.4
Non-availability of suitable investment avenue	57	9.4	29.8
Cost of living is increasing	370	61.0	90.8
Lack of information	56	9.2	100.0
Total	607	100.0	

Table 3 reveals that majority of the respondents (61.0 per cent) are not able to convert savings fully into investment as the cost of living is increasing followed by 20.4 per cent respondents are not able to convert savings fully into investment due to unexpected expenses, 9.4 per cent respondents are not able to convert savings fully into investment due to non-availability of suitable investment avenue and 9.2 per cent respondents are not able to convert savings fully into investment due to lack of information on investment avenues.

Table 4: Physical Investments Made by the Respondents

Physical Investments	Frequency	Per cent	Cumulative Percent
Investment in land and building	131	21.6	21.6
Investment in gold and silver	368	60.6	82.2
Both	108	17.8	100.0
Total	607	100.0	

Table 4 reveals that majority of the respondents (60.6 per cent) prefer investment in gold and silver as their physical investment choice, 21.6 per cent respondents prefer investment in land and building as their physical investment choice and 17.8 per cent respondents prefer investment both in gold & silver and land & building as their physical investment choice.

Table 5: Reasons for Making Investment in Physical Assets – Mean Rank Analysis

Reasons for Making Investment in Physical Assets	Yes	Per cent	No	Per cent	Mean Score	Rank
Capital Gain	168	27.7	439	72.3	1.42	4
Safety and Return	350	57.7	257	42.3	1.45	3
Availability of Finance	127	20.9	480	79.1	1.21	5
Convenience	477	78.6	130	21.4	1.79	1
Capital Appreciation	355	58.5	252	41.5	1.72	2

Table 5 displays that, as per mean rank analysis, convenience is the most important reason for making investment in physical assets by the respondents with the highest mean score of 1.79 and capital appreciation is the second most important reason for making investment in physical assets with the second highest mean score of 1.72 followed by the reasons safety and return (1.45), capital gain (1.42) and availability of finance (1.21) which is the least important reason.

Table 6: Ways of Spending Lump Sum Money by the Respondents

Ways of Spending Lump Sum Money	Yes	Per cent	No	Per cent	Mean Score	Rank
Purchase of house	398	65.6	209	34.4	1.74	2
Lend to friends/relative	115	18.9	492	81.1	1.32	6
Purchase of gold and silver	294	48.4	313	51.6	1.37	4
Purchase of consumer durables	414	68.2	193	31.8	1.81	1
Repayment of debt	384	63.3	223	36.7	1.52	3
Extend the existing investments	155	25.5	452	74.5	1.34	5

Table 6 displays that, as per mean rank analysis, purchase of consumer durables is the most important way of spending lump sum money by the respondents with the highest mean score of 1.81 and purchase of house is the second most important way of spending lump sum money with the second highest mean score of 1.74 followed by the ways repayment of debt (1.52), purchase of gold and silver (1.37), extend the existing investments (1.34) and lend to friends/relative (1.32) which is the least important way of spending lump sum money.

Table 7: Type of Investment Preferred

Type of Investment Preferred	Frequency	Per cent	Cumulative Percent
Liquid savings and investments	484	79.7	79.7
Non-liquid savings and investments	123	20.3	100.0
Total	607	100.0	

Table 7 explains that majority of the respondents (79.7 per cent) prefer liquid savings and investments and 20.3 per cent respondents prefer non-liquid savings and investments.

Table 8: Source of Fund for Investment

Source of Fund for Investment	Frequency	Per cent	Cumulative Percent
Savings	85	14.0	14.0
Borrowings	27	4.4	18.5
Disposal of assets	6	1.0	19.4
Funds from family members	158	26.0	45.5
Savings and Borrowings	196	32.3	77.8
Disposal and Funds from Family	135	22.2	100.0
Total	607	100.0	

Table 8 discloses that majority of the respondents (32.3 per cent) use savings and borrowings as their source of fund for investment, 26.0 per cent respondents use funds from family members as their source, 22.2 per cent respondents use disposal and funds from family as

their source, 14.0 per cent respondents use savings as their source, 4.4 per cent respondents use borrowings as their source and only 1.0 per cent respondents use disposal of assets as their source of fund for investment.

Table 9: Nature of Investment Habit of the Respondents

Nature of Investment Habit	Frequency	Per cent	Cumulative Percent
Regular	557	91.8	91.8
Occasional	50	8.2	100.0
Total	607	100.0	

Table 9 reveals that majority of the respondents (91.8 per cent) have regular investment habit and 8.2 per cent respondents have occasional investment habit.

Table 10: Duration of Investments Preferred by the Respondents

Duration of Investments Preferred	Frequency	Per cent	Cumulative Percent
Short term Investment	347	57.2	57.2
Medium term Investment	203	33.4	90.6
Long term Investment	57	9.4	100.0
Total	607	100.0	

Table 10 reveals that majority of the respondents (57.2 per cent) prefer short term investments, 33.4 per cent respondents prefer medium term investments and only 9.4 per cent respondents prefer long term investments.

PREFERENCE OF THE RESPONDENTS OVER VARIOUS INVESTMENT AVENUES – FRIEDMAN TEST MEAN RANK

Table 11 reveals the results of preference of respondents over various investment avenues in the study region using Friedman test mean rank.

Table 11: Preference of Respondents over Various Investment Avenues – Friedman Test Mean Rank

Preference on Various Investment Avenues	Mean Rank	Rank
Savings in Bank	1.37	8
Savings in Post Office	3.91	6
Life Insurance	4.70	5
Deposit in Private Finance	6.54	1
Chit Funds	3.62	7
Monthly Saving Schemes	4.94	4
Invest in Land and Building	5.44	3
Invest in Gold and Silver	5.49	2

Table 11 exhibits that, as per Friedman mean rank analysis, deposit in private finance is the most preferred investment avenue by the respondents with the highest mean score of 6.54 and invest in gold and silver is the second most preferred investment avenue with the second highest mean score of 5.49 followed by the investment avenues invest in land and building (5.44), monthly saving schemes (4.94) and life insurance (4.70). Savings in post office (3.91), chit funds (1.32) and savings in bank (1.37) are the least preferred investment avenues by the investors.

PREFERENCE OF THE RESPONDENTS OVER VARIOUS INVESTMENT AVENUES – FRIEDMAN TEST STATISTICS

Table 12 reveals the results of Friedman test statistics of the preference of the respondents over various investment avenues in the study area.

H_0: The mean ranking of the preference of the respondents over various investment avenues does not differ.

Table 12 - Preference of the Respondents over Various Investment Avenues - Results of Friedman Test Statistics

N	607
Chi-Square	1744.594
df	7
Asymp. Sig.	.000

From Table 12, it is clear that the significant value is .000 at 1% level of significance. As the significant value is less than .01, the null hypothesis is rejected and the result shows that the mean ranking of the preference of the respondents over various investment avenues differ. It implies that the ranking of the preference of the respondents over various investment avenues differs from investor to investor and it is not similar among all the investors.

Table 13 - Relationship between Nature of Job and Savings in Commercial/Cooperative Banks Investment – Crosstab Results

Nature of Job of the Respondents	Savings in commercial/co-operative bank			Total
	Savings Banks A/c	Recurring Deposits	Fixed Deposits	
Workman	89	1	0	90
	25.1%	20.0%	0.0%	24.8%
Clerical	142	1	0	143
	40.1%	20.0%	0.0%	39.4%
Supervisor	88	1	2	91
	24.9%	20.0%	50.0%	25.1%
Managerial	35	2	2	39
	9.9%	40.0%	50.0%	10.7%
Total	354	5	4	363
	100.0%	100.0%	100.0%	100.0%

Table 13 depicts that Savings Banks A/c are mostly preferred (40.1 per cent) by the respondents who are clerical workers, Recurring Deposits are mostly preferred (40.0 per cent) by respondents who are managerial employees and Fixed Deposits are mostly preferred (50.0 per cent each) by respondents who are managerial employees and supervisors.

Table 14: Relationship between Nature of Job and Savings in Commercial/Cooperative Banks Investment – Results of Chi-Square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.167	6	.028
Likelihood Ratio	12.252	6	.057
Linear-by-Linear Association	9.562	1	.002
N of Valid Cases	363		

Table 14 interprets that, as per the chi-square results, ‘p’ value (.028) does not exceed 0.05 and it is proved there is a significant relationship between nature of job and savings in commercial/co-operative banks. Hence the null hypothesis is rejected.

Table 15: Relationship between Nature of Job and Post Office Savings Investment – Crosstab Results

Nature of Job of the Respondents	Post Office Savings				Total
	Savings Banks A/c	Recurring Deposits	Fixed Deposits	NSC	
Workman	6	12	0	0	18
	24.0%	38.7%	0.0%	0.0%	19.8%
Clerical	11	5	0	0	16
	44.0%	16.1%	0.0%	0.0%	17.6%
Supervisor	4	13	2	1	20
	16.0%	41.9%	33.3%	3.4%	22.0%
Managerial	4	1	4	28	37
	16.0%	3.2%	66.7%	96.6%	40.7%
Total	25	31	6	29	91
	100.0%	100.0%	100.0%	100.0%	100.0%

Table 15 exhibits that Savings Banks A/c are mostly preferred (44.0 per cent) by the respondents who are clerical workers, Recurring Deposits are mostly preferred (41.9 per cent) by the respondents who are supervisors, Fixed Deposits are mostly preferred (66.7 per cent) by the respondents who are managerial employees and NSC are mostly preferred (96.6 per cent) by the respondents who are managerial employees.

Table 16: Relationship between Nature of Job and Post Office Savings Investment – Results of Chi-Square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	77.487	9	.000
Likelihood Ratio	89.830	9	.000
Linear-by-Linear Association	41.145	1	.000
N of Valid Cases	91		

Table 16 interprets that, as per the chi-square results, 'p' value (.000) does not exceed 0.05 and it is proved there is a significant relationship between nature of job and post office savings. Hence the null hypothesis is rejected.

Table 17: Relationship between Nature of Job and Insurance Investment – Crosstab Results

Nature of Job of the Respondents	Insurance		Total
	Whole life Policy	Endowment Policy	
Workman	14	47	61
	25.9%	23.4%	23.9%
Clerical	17	76	93
	31.5%	37.8%	36.5%
Supervisor	19	43	62
	35.2%	21.4%	24.3%
Managerial	4	35	39
	7.4%	17.4%	15.3%
Total	54	201	255
	100.0%	100.0%	100.0%

Table 17 exhibits that Whole life Policy are mostly preferred (35.2 per cent) by the respondents who are supervisors and Endowment Policy are mostly preferred (37.8 per cent) by the respondents who are clerical workers.

Table 18: Relationship between Nature of Job and Insurance Investment – Results of Chi-Square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.699	3	.082
Likelihood Ratio	6.918	3	.075
Linear-by-Linear Association	.326	1	.568
N of Valid Cases	255		

Table 18 interprets that, as per the chi-square results, ‘p’ value (.082) exceeds 0.05 and it is proved there is an insignificant relationship between nature of job and insurance investment. Hence the null hypothesis is accepted.

Table 19: Relationship between Nature of Job and PF/ESI Investment – Crosstab Results

Nature of Job of the Respondents	Provident Fund/ESI		Total
	Yes	No	
Workman	2	274	276
	3.6%	49.6%	45.5%
Clerical	2	183	185
	3.6%	33.2%	30.5%
Supervisor	23	83	106
	41.8%	15.0%	17.5%
Managerial	28	12	40
	50.9%	2.2%	6.6%
Total	55	552	607
	100.0%	100.0%	100.0%

Table 19 displays that PF/ESI is mostly accessed (50.9 per cent) by the respondents who are managerial employees and PF/ESI is not accessed mostly (49.6 per cent) by the respondents who are workmen.

Table 20: Relationship between Nature of Job and PF/ESI Investment – Results of Chi-Square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	238.389	3	.000
Likelihood Ratio	163.451	3	.000
Linear-by-Linear Association	166.190	1	.000
N of Valid Cases	607		

Table 20 interprets that, as per the chi-square results, 'p' value (.000) does not exceed 0.05 and it is proved there is a significant relationship between nature of job and PF/ESI investment. Hence the null hypothesis is rejected.

Table 21: Relationship between Nature of Job and Physical Investments– Crosstab Results

Nature of Job of the Respondents	Physical Investments			Total
	Investment in land and building	Investment in gold and silver	Both	
Workman	57	170	49	276
	43.5%	46.2%	45.4%	45.5%
Clerical	38	134	13	185
	29.0%	36.4%	12.0%	30.5%
Supervisor	31	49	26	106
	23.7%	13.3%	24.1%	17.5%
Managerial	5	15	20	40
	3.8%	4.1%	18.5%	6.6%
Total	131	368	108	607
	100.0%	100.0%	100.0%	100.0%

Table 21 explains that Investment in land and building is mostly preferred (43.5 per cent) by the respondents who are workmen, Investment in gold and silver is mostly preferred (46.2 per cent) by the respondents who are workmen and both land & building and gold & silver investments are mostly preferred (45.4 per cent) by the respondents who are workmen.

Table 22: Relationship between Nature of Job and Physical Investments – Results of Chi-Square Test

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	54.141	6	.000
Likelihood Ratio	50.346	6	.000
Linear-by-Linear Association	4.215	1	.040
N of Valid Cases	607		

Table 22 interprets that, as per the chi-square results, 'p' value (.000) does not exceed 0.05 and it is proved there is a significant relationship between nature of job and Physical Investments. Hence the null hypothesis is rejected.

CONCLUSION

The study revealed that major source of investments for the respondents is coming from savings and borrowings. The study also revealed that majority of the respondents are saving up to ₹2000 monthly and majority of the respondents are investing up to only ₹1500 due to increasing cost of living and unexpected expenses. Deposit in Private Finance and Investment in gold and silver are the major investment avenues preferred by the textile employees in Tirupur City. The study also revealed that most of the respondents prefer liquid investment with shorter duration. Some of the major findings of the study have been highlighted. If these are considered 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.

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