



## **GENDER EQUALITY IN THE INVESTMENT BEHAVIOUR OF IT EMPLOYEES IN COIMBATORE CITY**

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### **ABSTRACT**

*Gender differences in investment decisions are apposite and substantial. Several studies have found that women tend to be financially safer than men and likely to have secure investment. But in the changing scenario, investment market found Gender Equality in the Investment Behavior. Men and women are equal not only in education and employment but also in taking various investment decisions. Hence a study has been proposed to understand about the gender equality in investment behavior with reference to the employees of IT sector. Coimbatore has been selected as a study area, 482 IT employees have been selected purposively for the purpose of analysis. Statistical tools descriptive statistics, chi-square test and 't' test were used for the analysis. The study concludes that, male and female were not exhibited any differences with regards to their level of awareness, selection of portfolio and risk attitude.*

**Keywords:** Gender equality, investment, investment decision, investment behavior

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## **Introduction**

Gender differences in investment decisions are apposite and substantial. Several studies have found that women tend to be financially safer than men and likely to have secure investment (Bajtelsmit, Vickie L; Bernasek, Alexandra (1996), Adhikari, Binay K; O'Leary, Virginia E (2011)). Women are generally still to be found lower than men at the time of long time investment decisions. Academicians and financial analyst considered that female invest their funds more conservatively and, in prefer to invest in less financial risk securities. Most of the studies stated that investment behavior is differing based upon the gender. So the researcher intends to study the influence of gender in the investment behavior. Traditionally women are not free to gout, but now women are equally working with men in all the fields. Hence women have an opportunity to learn through their surroundings and also willing to participate in investment decisions. Now they are not exhibiting their conservative behavior and want to explore themselves in the investment markets. It is the time to exhibit and study of gender equality in the investment decision making.

## **Review of literature**

**Kanagaraj A.R. et al (2014)** has analyzed the perception of women investors towards investments. An attempt has been made by the researcher to identify the factors influencing investors' behavior, evaluation the level of awareness among women investors' and to analyses the preference of investors towards various investments outlets. The study insists that Investment has been an activity confined to the risk and business class in the past. This can be attributed to the fact that availability of investable funds is a prerequisite to development of funds, so that the women investors' may enjoy the benefits of capital appreciation. The Government should enact legislation for protecting the investors against illegal speculative dealings.

**Arti.G, et al (2011)** were conducted a study on "Difference in Gender Attitude in Investment Decision Making in India". This study highlighted the increasing magnitude of female investors in the investment sector. The paper aims to identify the difference of opinion between men and women while making investment decisions. The study reveals that males respondents were highly aware about various investment than females for different investment avenues and Female investors tend to display less confidence in their investment decisions and they have lower level of satisfaction.

**Mittal.M et al (2011)**, the paper “A Study of Psychological Reasons for Gender Differences in Preferences for Risk and Investment Decision”. The paper studied whether women are more risk averse than men and the reasons suggested by psychologists for the same. The study reveals that men keep in more risk taking and are confident than women. Women lean to place in a major portion of their money in less risk investments. The study indicates that males and females different in allocation of funds to their portfolio and have varying choices for the investment avenues. The study also found that the over confidence level of the investors differs with gender. Men have more confidence while taking financial decisions than women.

**Ranjith, V.K. (2002)** studied the “Risk Preference of Investors in the City of Ahmadabad” revealed that age plays an important role in deciding about the investment pattern of investors. The respondents who are graduates actively participate in investment activities. The investors’ considered only the financial performance of the company for making investments.

**Monica Sharma et al (2013)**, conducted “An Empirical Study of Gender Differences in Risk Aversion and Overconfidence in Investment Decision making”. The purpose of the research paper is to study possible gender effects on risk aversion and overconfidence in investment decision making. Chi-square has been used as a statistical tool for data analysis. The authors have found female are more conservative than their male counterparts in terms of risk aversion. In terms of overconfidence, the study didn’t reveal any conclusion, it showed a mixed result.

### **Statement of the Problem**

The employed personnel especially in the field information technology have a greater propensity to save and invest because of their high income. The employed force is also motivated by the investment behavior of their colleagues in their work place. There is more number of women employees are employed in-equal to men in the field of information technology. In investment decisions, the difference among women and difference among men are much greater than the difference between men and women (Barber, 2010). Now the situation has been changed, due to availability of information, both men and women equally participating in investment activities. In the present scenario, women are also wants to experience the fruit of investment by involving in market and come out with risk good results. Hence the researcher has been proposed to study the gender equality in investment behaviour.

## **Research Objective:**

The main purpose of the study is to identify the influence of gender with respect to selection of portfolio, level of awareness and attitude towards risk.

## **Hypotheses**

1. There is no significant difference between the respondents' gender and their level of awareness about the investment in the study area.
2. There is no significant difference between the respondents' gender and their attitude towards risk.

## **Methodology**

The study is descriptive in nature. The study was conducted in Coimbatore city, India, from September 2017 to March 2018. The sampling unit for the study was employees of information technology sector by adopting convenient sampling technique. 482 respondents were taken to study the gender difference. Primary and secondary data have been used to analyze the data. Primary data were collected through questionnaire. Secondary data were collected from various books, journals and websites. Descriptive statistics, chi-square test and 't' test were used for analysis.

## **Results and Discussion**

The results and discussion of the study reveals the respondents' preference towards portfolio, level of awareness and their attitude towards risk by applying chi-square test and 't' test and the results were discussed.

## **Gender of the Respondents**

Gender plays a vital role in any decision. The respondents' classification based on gender has been presented in Table 1

**Table 1: Gender of the Respondents**

Gender of the respondent	Number	Percentage
Male	349	72.4
Female	133	27.6
<b>Total</b>	<b>482</b>	<b>100.0</b>

**Source: Primary Data**

Table 1 reveals the gender of the respondents in the study area. It is found that from the total number of respondents 349 respondents were male gender and 133 respondents were female gender. It is observed from the table that majority of respondents (72.40 percent) are belonging to the male gender.

**Preference of portfolio:**

Portfolio was classified into four categories based upon the earning and risk. The responses are presented in the Table 2

**Table 2: Preference of the Respondents**

Factors		Portfolio				Mean
		Low Earnings with Capital Safe	Risk Balanced Scheme	High earnings with moderate Risk	High earnings with high risk	
Gender	Male	17 (4.9)	114 (32.7)	131 (37.5)	87 (24.9)	0.86
	Female	9 (6.8)	51 (38.3)	52 (39.1)	21 (15.8)	0.83

**Source: Computed Data**

Table 2 selection of portfolio reveals that both men and women prefer to invest in high earnings with moderate risk portfolio. They were not exhibited any difference in the portfolio selection process. Male respondents were prefer to invest in high earning with high risk portfolio with the mean score value of 24.9. But the female respondents were exhibited only conservative behaviour, supported with the lowest mean score of 15.8. maximum number of female respondents were prefer to invest in high earning with moderate risk portfolio with the highest mean score value of 39.1.

## Respondents' Gender and Level of Awareness

The relationship between Respondents' gender and their level of awareness about the investment has been studied with help of the following hypothesis by using the Chi-square test and presented in Table 3.

H<sub>0</sub>: There is no significant difference between the respondents' gender and their level of awareness about the investment in the study area.

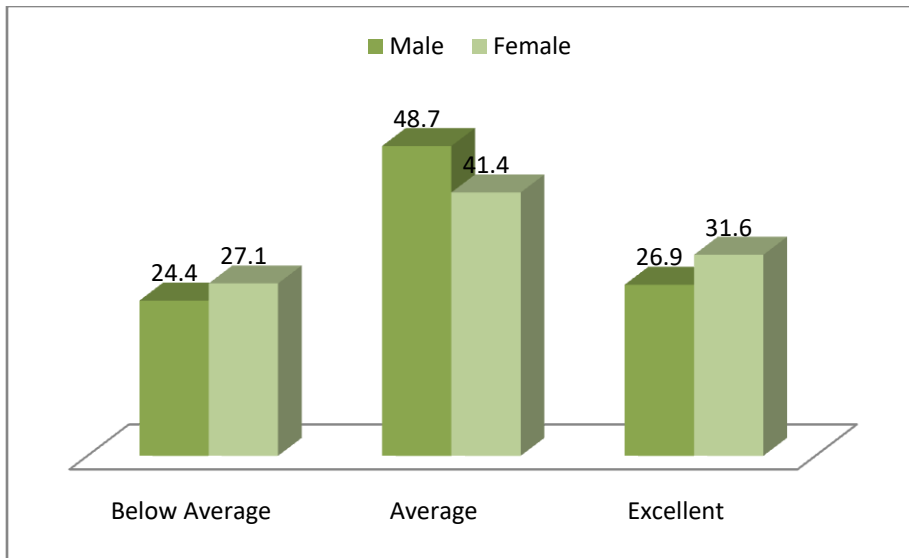
H<sub>1</sub>: There is significant difference between the respondents' gender and their level of awareness about the investment in the study area.

**Table 3 Gender and level of Awareness**

Classification		Awareness on Investment				Chi-Square value	P. value
		Below Average	Average	Excellent	Total		
Male	Count	85	170	94	349	<b>2.135</b>	<b>0.344**</b>
	% within Row	24.4	48.7	26.9	100.0		
	% within Column	70.2	75.6	69.1	72.4		
Female	Count	36	55	42	133		
	% within Row	27.1	41.4	31.6	100.0		
	% within Column	29.8	24.4	30.9	27.6		
Total	Count	121	225	136	482		
	% within Row	25.1	46.7	28.2	100.0		

Source: Computed Data      \*\* significant @ 5 percent level

It is clear from Table 3 that gender of respondents has influence on their awareness level; therefore, the chi-square test has been adopted in order to test the relationship between the respondents' gender and their level of awareness about the investment. The result shows that 'P' value is more than the significant value at five percent level (P value is 0.344 > 0.05). The null hypothesis is accepted by concluding that there is no significant difference between the respondents' gender and their awareness level about the investment in the study area.



**Figure1: Level of Awareness**

### **Respondents' Gender and Risk Attitude**

The relationship between Respondents' gender and their risk attitude towards investment has been studied with help of the following hypothesis by using the Chi-square test and presented in Table 4.

$H_0$ : There is no significant difference between the respondents' gender and risk attitude towards investment in the study area.

$H_1$ : There is significant difference between the respondents' gender and risk attitude towards investment in the study area.

**Table 4**  
**Gender and Risk Attitude**

Classification		Risk Attitude					
		Risk Reluctant	Moderate Risk Taker	High Risk Taker	Total	Chi-Square value	P. value
Male	Count	149	96	104	349	<b>8.430</b>	<b>0.015*</b>
	% within Row	42.7%	27.5%	29.8%	100.0%		
	% within Column	70.6%	66.7%	81.9%	72.4%		
Female	Count	62	48	23	133		
	% within Row	46.6%	36.1%	17.3%	100.0%		
	% within Column	29.4%	33.3%	18.1%	27.6%		
Total	Count	211	144	127	482		
	% within Row	43.8%	29.9%	26.3%	100.0%		

**Source: Computed Data** \* significant @ 1 percent level

Table 4 shows that among the 349 male respondents about 42.7 percent of respondents are risk reluctant and 27.5 percent of respondents are taking risk at moderate level and remaining about 29.8 percent of respondents are taking high level risk in their investment. In the case of 133 female respondents, 46.6 percent of respondents are risk reluctant, 36.1 percent of respondents have taking average level risk while their investment and remaining 17.3 percent of the respondents are ready to take high risk while their investment. The percentage figure shows that there were no different risk attitudes in between gender group. Hence the researcher was interested to test the hypothesis as ‘There is no significant difference between gender of the respondents and their risk attitude’ with the help of the Chi-Square test. The calculated value of Chi-Square test was 8.430 and ‘P’ value was 0.015. Since the calculated P value is less than 0.05 the null hypothesis is rejected at five percent level of significance. Hence it is concluded that the respondents’ attitude about the risk in investment is associated with their gender. With regard to the descriptive statistics, even though more number of male respondents had registered as high risk taker in investment, this is not statistically significant at 5 percent level.



In order to test, there is any significance difference between male and female respondents risk attitude the researcher has used independence T test. The result of independent T test has been presented in the Table 5

**Table 5**

**Mean difference with Gender of the respondents and their Risk Attitude**

<b>Gender</b>	<b>Sample Size</b>	<b>Mean</b>	<b>S.D</b>	<b>T Value</b>	<b>P value</b>
Male	349	34.40	5.676	0.185*	0.853
Female	133	34.30	4.896		

**Source: Computed Data**

**Note: \* denotes significant @ 5 Per cent level**

Table 5 shows that calculated T value is 0.185 and P value is 0.853. Since p value is more than 0.05 the null hypothesis is accepted at 5 per cent level of significance, hence it conclude that there is no significance difference of between average risk attitude of male and female respondents. Comparing the risk mean score of male respondents is (34.40) slightly higher than female respondents (34.30). It may be because of this study conducted among educated investors hence there is no significance difference in mean value of risk attitude.

**Conclusion:**

Gender equality has been identified in the study area. Even though the respondents showed different opinion in the selection portfolio i.e. gender difference in portfolio selection, the results of chi-square and ‘t’ test didn’t revealed any deviation. Hence it is concluded from the analysis that in the study area the gender of the respondent didn’t played any vital role in the investment process.

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