Personal Factors Affecting Investment Behaviour of Salaried Class People in the Education Sector

Arti[1], Dr. Inderjeet[2]

[1]Research Scholar, Baba Mastnath University, Rohtak, Haryana, India
[2]Faculty of Management and Commerce, Baba Mastnath University, Rohtak, Haryana, India

ABSTRACT

The Indian financial system's investment company sector has recently grown to be the most active. The rapid rise of the Indian capital market may be attributed to reforms in the Indian economy and the opening up of the economy. Investors' attitudes (personal factors) regarding investments are examined as a result of socioeconomic characteristics. In addition, it concentrates on the advantages that investors receive from their savings. To comprehend the social structure in a society, it is important to look at the socioeconomic status of the employees. Age, education, occupation, income, spending, savings, and investments all have an effect on structural position.

Keywords : Investment Behaviour, Personal Factors, Salaries Class People, Education Sector

I. INTRODUCTION

Investing is the process by which a person who sets aside a portion of his or her earnings attempts to locate a safe haven for those funds while they wait to be needed to cover future expenses. A person engages in investing when he or she has saved money, i.e., an investment is made from one's own savings. All investors, on the other hand, are not all savers. Investment is a separate and distinct activity from merely conserving money. Let's have a look at what investing is all about. It's important to note that there are two primary types of investment: fixed-income (like bonds) and variable-income investments (like business ownership (equities), or property ownership). By "investment," we mean the development of resources or products that may be used to create new resources or products or services. Investments in education and health are viewed as a long-term benefit to society. It might imply different things to different people. A loan may be viewed as an investment if it is made by one person to another. He anticipated to be reimbursed for the money and interest at some point in the future. As a potential investment, another individual may be holding on to a kilogramme of gold. In all of these circumstances, investment is defined as the use of cash for the purpose of generating extra revenue or increasing the value of the asset. An investment must have a return in order to be considered successful. Committing resources saved for the future in the aim of reaping rewards is an investment.

As a result, an investment may be described as "a commitment of funds made on the anticipation of some positive rate of return." Because the return is anticipated to materialise in the future, the return achieved may be lower than the return projected to materialise. Investment risk refers to the probability that the actual return may differ from the expected return. As a result, the potential for profit and the potential for loss are inherent in every investment.

II. REVIEW OF LITERATURE

Rekha and Vishnupriya (2019) conducted research into the investing patterns of working women. The study's aims were to raise knowledge of investment opportunities as well as the variables that influence investment decisions. Individuals were asked to complete a questionnaire, which served as the source of primary data. The research was carried out among 150 female participants in the study. Descriptive statistics and the ANOVA tests were employed in the analysis. It has been shown that there is a higher rate of awareness and preference. Gold is the most important element influencing the decision of working women to invest. The majority of those who answered the survey were pleased with their gold investment. The primary reason for saving is to provide for their children's education, and working women are more conscientious about making this sort of investment than other people.

Gulati, M. (2020) looked at the preferences of salaried individuals when it came to various investment avenues. The primary goal of the study was to determine the preferences of paid employees as well as the influence of various investment options on their degree of overall happiness with their jobs. The primary data were gathered by a questionnaire, with 384 responses obtained through the convenience sampling technique. The Mann-Whitney test and the ANOVA were employed in the data analysis. Females made up the majority of those who took part in the study. The majority of the paid individuals who participated in the study were postgraduates or at the very least undergraduates, and the majority of them had three or more dependents in their households. The majority of them (37.85 per cent) had only two earning members in their family. It was also discovered that the vast majority of respondents only invest 30 per cent of their overall savings, which is a significant finding. Out of all respondents, 38.36 per cent stated that they have a fair understanding of investment, 51.92 per cent indicated that they make their investments online, and 62.15 per cent said that they base their decisions on saving and investing on the patterns of the younger generation. Apart from that, it was discovered that out of all investment avenues available in the market for the investment, fixed deposits were found to be the most popular among all salaried individuals and that investment in the banking industry was the most popular sector investment among all salaried individuals.

Khan (2020) investigated the savings and investing options available to persons in the salaried class. The study's aims were to learn about the numerous investment avenues available to salaried persons, as well as the variables that influence the selection of investment avenues and the types of investment avenues that are most commonly preferred. A questionnaire was issued to 110 people in order to collect data. In the current study, convenience sampling and judgement sampling were employed in conjunction with each other. Simple percentage analysis, a pie chart, a bar diagram, a ranked weighted average, and an ANOVA were among the methods employed in the study's analysis. It has been shown that 54 per cent of salaried individuals invest in insurance in order to take advantage of tax benefits. Following that, post office savings and personal pension funds (PPF) are tax-saving options. After the post office, the majority of people believe that bank deposits are the safest form of investing, with PPF being the second most trusted alternative. According to salaried persons, the vast majority of them believe that investing in a new sector is more rewarding for

them than investing in a certain industry. The majority of them are capable of coping with risks in the moderate range; just a small number are capable of dealing with risks in the high level.

Rajan et al. (2020) investigated the investment strategy and behaviour of investors in the information technology sector in relation to the city of Chennai. The study's goal was to determine the inclination and aliveness of paid investors, as well as to examine the relationship between discrete factors and the macroeconomic environment. The Primary Data was gathered using the Survey Method, which consisted of a standardised Questionnaire. The Simple Random Sampling approach was used to choose a sample of 150 participants. It has been discovered that the investing preferences of salaried individuals are not influenced by their gender. It might also be influenced by other factors such as salary, time value, and the current scenario. There is a considerable relationship between the annual salary of salaried investors and the quantity of money they put into the market. There is a general understanding among all workers of the many investment routes such as safe and low-risk, moderate risk and return, risky and high return, old investment modes as well as new and developing investment modes. According to the findings of the study, there is no relationship between gender and investing awareness. The relationship between their annual income and the proportion of their investment is tight.

Gurbaxani and Gupte (2021) conducted research on the impact of COVID-19 on individual investor behaviour in a small town in the Indian state of Madhya Pradesh. A study of the literature on COVID-19 and the efforts taken by the government to combat the pandemic was carried out. In order to evaluate the impact of COVID-19 on people' financial activities in Madhya Pradesh, a sample survey was undertaken. The respondents belonged to either the service industry or run their own enterprises. The link between the COVID-19 epidemic and changes in individual investment decisions with respect to SIPs

has been investigated. During the lockdown period, it was discovered that a substantial percentage of respondents had either withdrawn their monthly deposits in SIPs or lowered the amount of money they were investing. It is discovered that there is a relationship between steps made to prevent the spread of COVID-19 (such as lockdown and travel restrictions) and individual income; such preventative measures have a direct influence on savings and investing behaviour. During the COVID-19 epidemic, it was discovered that respondents reduced their SIP investments by 43 per cent. Male and female investors both experience a reduction in investment; however, the difference in percentage declines is statistically non-significant. Furthermore, investing behaviour does not differ according to the age of the investor. Due to lower household income, the stock market fall, and investor preferences changing towards safe assets, SIP investments have declined during the COVID-19 pandemic. The findings shed insight into the socioeconomic consequences of the COVID-19 epidemic at the micro-level, and they may help financial institutions and people deal with similar circumstances in the future.

Nerkar and Mate (2021) investigated the level of investment awareness among the salaried class in the Pune region. The study's aims were to determine the preferences of the salaried class toward various routes of investment as well as the factors that influence investment decisions in general. A convenient sample of 50 paid workers was personally interviewed for the study using a prepared questionnaire, which was sent to all participants. In order to analyse the data, the percentage approach was utilised. It was discovered that the respondents had a thorough understanding of the various investment opportunities accessible in India. Risk-taking ability varies from person to person and is influenced by factors such as age, income, perspective, and religious views. The decision on how and where to put their hard-earned money is a significant and potentially perilous one. Investing decisions are usually difficult to make. People choose

to engage in traditional investment routes such as bank deposits, insurance, and post office savings, among others, in order to escape the complexities of the stock market.

III. RESEARCH METHODOLOGY

The research is descriptive cum exploratory in nature. Random sampling is used to select the sample. The researcher took a sample size of 800 respondents to collect the data from a varied socio-economic background of salaried persons from the education sector in Haryana districts through a structured questionnaire on a 5-point Likert scale. The data is collected from 3 types of education institutions (Government, Private, and Aided) Among 800, only 600 sample size was found useable and complete with carrying out the current investigation. So, the overall sample size for the research is 600.

Haryana is divided into six geographical zones for the purpose of sampling. A random sample of 100 people is drawn from each zone. We will thus choose a final sample size of 600.

Table 1.1
Sample Size

Zones	Districts Included	Sample Size
I. Ambala	Ambala, Kurukshetra, Panchkula, Yamuna Nagar	100
II. Faridabad	Faridabad, Palwal, Nuh	100
III. Gurugram	Gurugram, Mahendragarh, Rewari	100
IV. Hisar	Fatehabad, Jind, Hisar, Sirsa	100
V. Rohtak	Jhajjar, Charkhi Dadri, Rohtak, Sonipat, Bhiwani	100
VI. Karnal	Karnal, Panipat, Kaithal	100
Total		600

Source: Primary Data

Research objectives:

To analyse the personal factors affecting investor behaviour of salaried class people in the education sector in Haryana

Research Hypothesis

H01: There is no significant difference between personal factors and demographic variables affecting the investors' behaviours

IV. DATA ANALYSIS AND DISCUSSION

The following tables describe the frequency distribution of respondents regarding the personal factors affecting the salaried class investment behvaiour.

Table 1.2
Family Income

Statements	Frequency	Percent
Neutral	177	29.5
Agree	252	42.0
Strongly Agree	171	28.5
Total	600	100.0

Source: Primary Data

The above table 1.2 depicts the *family income* of the respondents, as per according above data it is found that the majority of the respondents (42 percent) agree, 29.5 percent are neutral and 28.5 percent respondents are strongly agreed with the statement *family income*, that family income will affect respondents' investment behaviour.

Table 1.3
Status Symbol/Luxury Lifestyle

Statements	Frequency	Percent
Disagree	111	18.5
Neutral	140	23.3
Agree	142	23.7
Strongly Agree	207	34.5
Total	600	100.0

Source: Primary Data

The above table 1.3 depicts the *status symbol/luxury lifestyle* of the respondents, as per according above

data it is found that the majority of the respondents (34.5 percent) strongly agree, 23.7 percent agree, 23.3 percent are neutral, and 18.5 percent respondents disagree with the statement *status symbol/luxury lifestyle*, it will affect respondents' investment behaviour.

Table 1.4
Future Expectations

Statements	Frequency	Percent
Neutral	80	13.3
Agree	212	35.3
Strongly Agree	308	51.3
Total	**600**	**100.0**

Source: Primary Data

The above table 1.4 depicts the *future expectations* of the respondents, as per according above data it is found that the majority of the respondents (51.3 percent) strongly agree, 35.3 percent agree, and 13.3 percent of respondents are neutral with the statement *expectations*, that it will affect respondents' investment behaviour.

Table 1.5
Long-Term Benefits

Statements	Frequency	Percent
Neutral	105	17.5
Agree	183	30.5
Strongly Agree	312	52.0
Total	**600**	**100.0**

Source: Primary Data

The above table 1.5 depicts the *long-term benefits* of the respondents, as per according above data it is found that the majority of the respondents (52 percent) strongly agree, 30.5 percent agree, and 17.5 percent of respondents are neutral with the statement *long-term benefits*, it will affect respondents' investment behaviour.

Table 1.6
Social Prestige Value

Statements	Frequency	Percent
Neutral	118	19.7
Agree	221	36.8
Strongly Agree	261	43.5
Total	**600**	**100.0**

Source: Primary Data

The above table 1.6 depicts the *social prestige value* of the respondents, as per according above data it is found that the majority of the respondents (43.5 percent) strongly agree, 36.8 percent agreed, and 19.7 percent of respondents are neutral with the statement *social prestige value*, it will affect respondents' investment behaviour.

ANOVA (Demographic Variables and Personal Factors)

The below table shows the analysis of variance between personal factors and the demographic variables.

Table 1.7 ANOVA

Demographic Variables		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	40.673	1	40.673	4.485	0.03
	Within Groups	5422.512	598	9.068		
Age	Between Groups	35.480	3	11.827	1.299	0.27
	Within Groups	5427.705	596	9.107		
Educational Qualification	Between Groups	29.705	4	7.426	0.813	0.51
	Within Groups	5433.480	595	9.132		
Designation	Between Groups	59.067	5	11.813	1.298	0.26

	Within Groups	5404.118	594	9.098		
Marital Status	Between Groups	18.142	1	18.142	1.992	0.15
	Within Groups	5445.043	598	9.105		
Monthly Income	Between Groups	7.310	5	1.462	0.159	0.97
	Within Groups	5455.875	594	9.185		
Family Monthly Income	Between Groups	.336	3	.112	0.012	0.99
	Within Groups	5462.849	596	9.166		
Nature of Family	Between Groups	3.362	1	3.362	0.368	0.54
	Within Groups	5459.823	598	9.130		
Number of Family Members	Between Groups	5.733	3	1.911	0.209	0.89
	Within Groups	5457.452	596	9.157		
Earners in the Family	Between Groups	1.689	3	.563	0.061	0.98
	Within Groups	5461.496	596	9.164		
Types of Organization	Between Groups	16.421	2	8.211	0.900	0.40
	Within Groups	5446.764	597	9.124		
Total		5463.185	599			

Source: Primary Data

Above table 1.7 depicts that there is a significant difference found regarding gender as the p-value (p=0.035) is less than a 5% level of significance (p<0.05). So, the null hypothesis "H01: there is no significant difference between personal factors and gender" has been rejected. But there is no significant difference found regarding age (p=0.27), educational qualification (p=0.51), designation (p=0.26), marital status (p=0.15), monthly income (p=0.97), family monthly income (p=0.99), nature of family (p=0.54), number of family members (p=0.89), earners in the family (p=0.98), types of organization (p=0.40) as the p-value are greater than 5% level of significance (p>0.05). Hence the null hypothesis "H01: there is no significant difference between personal factors and gender" has been accepted.

V. CONCLUSION

It is very important to consider the various factors at the time of taking investment-related decisions. In the current study, we have taken only the personal factors that affect investment decisions. As the investment decision was affected and varied according to various demographic variables of respondents. Due to the rational thinking of males and females, the investment decision is also affected, as males are more concerned about future savings and returns having more risk-taking ability in comparison to female respondents. More family income encourages the investors for more investments, the neutral family have more disposable income to invest, and the young age group people are not investing in high amounts, as they are spending more for luxury life. Married people invest less as they have more responsibilities to fulfil in comparison to unmarried. Government employees are more concerned about the risk so they select the less risky securities to invest in, and the private employees are more aware and have more

knowledge about the investment, so they use systematic investment strategies to invest.

VI. REFERENCES

[1]. Gulati, M. (2020). An Empirical Study Related to Preference of Salaried Individuals towards Different Investment Avenues. Asian Journal of Multidisciplinary Studies, 8, 4.

[2]. Gurbaxani, A., & Gupte, R. (2021). A study on the impact of COVID-19 on investor behaviour of individuals in a small town in the state of Madhya Pradesh, India. Australasian Accounting, Business and Finance Journal, 15(1), 70-92.

[3]. Khan, M. F. A study of saving and investment avenues of salaried class people with reference to kerala.

[4]. Rajan, G. J., Subathra, M. R., & Regi, D. S. B. (2020). Investment Stratagem and behavior of IT sector Investors with respect to Chennai City. Mukt Shabad Journal, 9.

[5]. Rekha, G., & Vishnupriya, R. (2019). A Study on Investment Pattern among Working Women. Children, 148(1), 5.

Cite this article as :