



# DIFFERENCE OF OPINION: A STUDY ON THE SELECTION OF INVESTMENT OPTIONS BY MEN AND WOMEN EMPLOYEES OF PRIVATE SECTOR ORGANISATION

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**ABSTRACT:** The purpose of this paper is to look into how men and women differ in their investment preferences. This research looks into the differences in investment options between men and women. Seven investing vehicles, including shares, government securities, mutual funds, bank deposits, post office deposits, real estate, and gold/silver, were chosen to see how investment preferences of men and women working in private sector organizations differ. Men prefer to invest in mutual funds and bank deposits, whereas women prefer to invest in gold/silver and bank deposits since they are more risk adverse.

## INTRODUCTION

The placement of funds in one or more classes of funds for the purpose of achieving future rewards is known as investment. It is seen as a critical source of economic development, production, and capital generation. The emphasis in this case was on foregoing current expenditure in order to reap future rewards in the form of a return. Today's market is thriving with a wide range of investment options, allowing individual and institutional investors to contribute to the nation's growth and development. As a result, the risk and return associated with each asset type must be considered when selecting an investment option. Women and men both want to achieve financial stability. Long-term financial planning allows us to handle some financial aspects of our lives. Women and men, on the other hand, have distinct financial habits that can affect financial planning. The emphasis on the incorporation of the salaried class into the investor block, on the other hand, is less targeted.

## REVIEW OF LITERATURE

**Pahihar and Sharma (2012)** look into salaried people's investment preferences and expertise. They came to the conclusion that, in addition to age and education, salaried individuals value the liquidity of investment options, return on investment, and tax rebates as highly important considerations in their investment decision. This is because salaried employee's are concerned about securing their future by assuring consistent returns on investment.

Demographic variables influence investment decisions, according to **Cervellati, Fattori, and Pattitoni (2011)**. Other than Asian countries, there has been evidence of a positive relationship between age and education and investment decisions.

Women are hesitant to invest in mutual funds, according to **Desigan, Kalaiselvi, and Anusuya (2006)**, due to a lack of information. Women investors have a limited understanding of the investment process, associated risks, and market changes.

Parihar and Sharma (2012) analyze the preferences and knowledge about investment of salaried peoples. They concluded that besides age and education, salaried peoples prefer the liquidity of investment option, return on investment and tax rebates and consider them very crucial factors for their preference of investment option. This is because salaried employees are concerned to secure their future by ensuring constant payments in terms of return on investment. Demographic characteristics influence the investment decisions (Cervellati, Fattori, & Pattitoni, 2011). Positive association of age and education with investment decision has been found in context other than Asia countries. People having less education feel more fear to invest in risky investments (Wang, Keller, & Siegrist, 2011). Ramamurthy and Reddy (2005) found that professional management, good administration, different investments, return potential, volatility, liquidity, affordability, flexibility and proper ruling for giving benefits to small investors affect the investment decisions. Das, Mohanty and Shil (2008) found that lower and middle-income groups invest more in mutual fund, whereas, the upper income group invests more in life insurance companies.

Desigan, Kalaiselvi and Anusuya (2006) found that women hesitate to invest in mutual funds due to lack of knowledge. Women investors have less knowledge about the procedure of investment, associated risks and market fluctuations.

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The Organisation for Economic Cooperation and Development (OECD) is (2005a) The importance of financial education is becoming increasingly apparent in respect to all financial products. It focuses on the increased demand for financial education in the area of retirement savings, specifically pensions.

Graham et al. (2002) feel that when it comes to making financial decisions, women absorb information differently than males.

Age, marital status, and prior trading experience, according to Mittal and Vyas (2007), have a substantial impact on investors' information processing and final investment decision making. Women are more risk adverse than men, and they prefer low-risk fixed-income assets.

According to Jianakoplos and Bernasek (1998), around 60% of female respondents to the 1989 Survey of Consumer Finances were unwilling to take any financial risks, while only 40% of men were.

### **OBJECTIVE OF THE STUDY**

1. To determine the priority of retirement plans options chosen by men and women working in private sector organizations.

### **RESEARCH METHODOLOGY**

The study was carried out by using a structured questionnaire to obtain primary data. It was thought to be the most appropriate to collect comments from both male and female participants without intervening or recommending another investment vehicle. Secondary data was gathered from a variety of sources, including reference books, academic publications, and newspapers, to determine the current state of knowledge. 100 Male and 100 female employees in private-sector businesses make up the population for this research study. The analysis was carried out in Microsoft Excel, and the data was depicted using bar charts.

### **DATA ANALYSIS AND FINDINGS**

This research work is carried out with an objective to find out the priority of various retirement plan option chosen by male and female employees working in private sector organization. On the basis of literature survey a questionnaire

was drafted in which various retirement plan were put and respondents were asked to give ranking from 1 to 7 i.e 1 for most preferred and 7 for last preferred choice. Same set of questionnaire was equally distributed among 100 male and 100 employees each of private sector organisation.

Table 1.1 shows the frequency of male respondents for selecting the investment options.

Table 1.1 Frequency for selection of investment option by male respondents

	Shares	Government Securities	Mutual Fund	Bank Deposits	Post Office Deposits	Real Estate	Gold/Silver
Rank	Freq	Freq	Freq	Freq	Freq	Freq	Freq
1	12	11	23	13	9	27	8
2	14	13	21	17	7	19	4
3	14	12	19	12	16	14	9
4	13	14	10	21	10	15	11
5	14	15	9	15	15	12	18
6	16	14	11	9	22	6	23
7	17	21	7	13	21	7	27
Total	100	100	100	100	100	100	100

Table 1. 2 Frequency for selection of Investment option by male respondents

Weight	Total	Rank	Weight(w)	Shares		Government Securities		Mutual Fund		Bank Deposits		Post Office Deposits		Real Estate		Gold/Silver	
				Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w
	28			12	84	11	77	23	161	13	91	9	63	27	189	8	56
	100			14	84	13	78	21	126	17	102	7	42	19	114	4	24
	381			14	70	12	60	19	95	12	60	16	80	14	70	9	45
	100			13	52	14	56	10	40	21	84	10	40	15	60	11	44
	381			14	42	15	45	9	27	15	45	15	45	12	36	18	54
	100			16	32	14	28	11	22	9	18	22	44	6	12	23	46
	381			17	17	21	21	7	7	13	13	21	21	7	7	27	27
	478																
	478																
	413																
	335																
	488																
	296																

Table 1.3 Rank for selection of Investment alternative by Male Respondents

	Mean	Rank
Shares	13.60714	III
Government Securities	13.03571	IV
Mutual Fund	17.07143	I
Bank Deposits	14.75	II
Post Office Deposits	11.96429	V
Real Estate	1.28084	VII
Gold/Silver	10.57143	VI

From the Table 1.3 it can be concluded that investments in mutual funds is the most preferred option by the employee of private sector organisation as the mean score of it is highest among other that is 17.07, bank deposits and investment in shares score the second and third rank with mean value of 14.75 and 13.61, while government securities is the fourth choice of male respondents with mean score of 13.04, post office is fifth choice with mean score of 11.96 gold and silver is sixth one with mean score of 10.57 and real estate is the last choice of male respondents with mean score of 1.28 respectively.

Table 2.1 shows the frequency of female respondents for choosing investment options for securing retirement.

Table 2.1 Frequency for selection of investment option by female respondents

	Shares	Government Securities	Mutual Fund	Bank Deposits	Post Office Deposits	Real Estate	Gold/Silver
Rank	Freq	Freq	Freq	Freq	Freq	Freq	Freq
1	9	18	13	17	13	9	23
2	14	12	11	16	15	8	28
3	16	18	21	22	14	7	18
4	18	21	16	12	13	9	13
5	11	11	13	14	12	13	6
6	9	12	12	9	19	11	9
7	23	8	14	10	14	43	3
Total	100	100	100	100	100	100	100

Table 2.2 Frequency for selection of investment option by female respondents

Rank	Weight(w)	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w	Freq(f)	f*w
1	7	9	63	18	126	13	91	17	119	13	91	9	63	23	161

Weight	Total	7	6	5	4	3	2
	28	1	2	3	4	5	6
	100	23	9	11	18	16	14
13.3214	373	23	18	33	72	80	84
	100	8	12	11	21	18	12
15.60714	437	8	24	33	84	90	72
	100	14	12	13	16	21	11
14.39286	403	14	24	39	64	105	66
	100	10	9	14	12	22	16
15.8	443	10	18	42	48	110	96
	100	14	19	12	13	14	15
13.964	391	14	38	36	52	70	90
	100	43	11	13	9	7	8
10.214	286	43	22	39	36	35	48
	100	3	9	6	13	18	28
18.214286	510	3	18	18	52	90	168

Table 2.3 Rank for selection of Investment alternative by Female Respondents

	Mean	Rank
Shares	13.32143	VI
Government Securities	15.60714	III
Mutual Fund	14.39286	IV
Bank Deposits	15.82143	II
Post Office Deposits	13.96429	V
Real Estate	10.21429	VII
Gold/Silver	18.21429	I

It is clear from the table 2.3 that most preferred option for investment by female employee of private sector organisation is gold and silver as it have highest mean score of 18.21, second and third option chosen by female employees were bank deposits with mean value of 15.82 and government securities 15.61, fourth option is mutual fund with mean score of 14.39, post office deposits is the fifth choice of female respondents with mean score of 13.96, sixth



is share with mean score 13.32, real estate is the last option chosen by female respondents with mean score of 10.21 respectively.

#### **FINDINGS OF THE STUDY**

It is found from the study that male employees of private sector organisation choose mutual funds mostly with the highest mean score i.e. 17.07, bank deposits and investment in shares score the second and third rank with mean value of 14.75 and 13.61

Also it is clear from the study that most preferred option chosen by female respondents was gold and silver with the mean score of 18.21. While second option chosen by female is bank deposits with mean score of 15.82 and third option is government securities with mean score of 15.61.

#### **CONCLUSION AND RECOMMENDATION**

It can be concluded from the study that gender difference exist in choosing the options for investment to secure retirement. Conclusion drawn from the study shows that selection of option by male and female have gender effect as female prefer more investment in gold and silver and such option which are considered as safe and required less analysis before investment. This may be due to other responsibility excluding job like children etc. Male respondents can devote more time in choosing and comparing the options for investments for retirement benefits.

Also it can be concluded from the study that investment in real estate was among the least preferred option both by male and female which was one of the popular investment option.

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