



A Study on Participation of Women in Indian Stock Market as Traders.

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Abstract

The participation of women in the economy is important in order to enhance and contribute towards raising the economic potential of a country. Traditionally women were just dependent on their family members for their expenses or savings. But now they are not only earning member of the family but also taking financial decisions on how, when and where to invest money without compromising their lifestyle? Women today are not just investing money in only traditional options like gold, land, bank and post office schemes, they are also investing in bonds mutual funds and insurance, as they are becoming more aware of different and more better investment alternatives as shown by the different recent studies. As investment many professional options are also available with the women with which they can easily balance their home and professional life easily one such option is financial trading or stock trading with the need of time. In the present study, the diverse literature available worldwide on the stock market participation of women has been explored and analyzed in terms of their objectives, research methodology, sample, respondents and the impediments faced by women while investing in the stock market. The article demonstrates that there are several impediments that prevent women from investing in the stock market and suggests that besides financial literacy programmes, changes in attitude and behaviour of the society as well as women are needed in order to improve their participation in the stock market as traders.

Introduction

The participation of women in business and finance has increased rapidly in the past few decades. The present woman is equally employed and has knowledge about various aspects of business and finance. Women these days are not only corporate directors and officers, but also investors in firms. As women become bigger players in the corporate sector, it may not be comforting to know that women investors face certain distinct disadvantages being new, limited participants in the securities market, disadvantages that are mainly due to gender dependent or sex-based differences. Women face discriminatory practices when they seek entry into certain occupations, especially male-dominated ones. Moreover, the lack of access to investment information prevents women from making investment in the stock market.

Women are financially independent nowadays. Women are actively participating in investing their savings by analyzing the various factors such as degree of risk associated with investment, influence of family members and friends and the capability of investing in modern and innovative investment avenues.

Literature Review

‘WARREN BUFFET INVESTS LIKE A GIRL’ –An investment book by Lou Ann Lofton is based on the assumption that Buffett’s investment practice represents a typical female approach of planning, researching, buying value, and holding. When asked to comment on this claim, Buffett without any hesitation hugged his ladylike side.

While fairer sex enjoying several profits from their investing style, there are some weaknesses that they need to be aware of. Since women tend to focus on longer-term goals, they may be allured to classify their money into more than one account in order to keep those goals precise. However, this may deform

allocation strategies if one is not careful. Furthermore, too much caution can be equated with lost opportunity cost or the danger that insufficient risk could inhibit a portfolio's potential for growth. As per conservative portfolio has the danger of longevity and inflation.

1 : Financial Hindrances : shows that "financial hindrances" is the first and the most important factor comprising five statements. It explained 14.287 per cent of the total variance of the data, with an Eigen value of 6.440. The factor included five statements, namely, "Lack of control over finances prevents me from making investment in stock market (0.800)," "Lack of disposable income prevents me from investing in stock market (0.782)," "Not much financial resources are left behind as there are other financial priorities to be met (0.762)," "To save for future uncertainties is the reason that prevents me from blocking my money in the stock market (0.710)," and "Lack of capital is a great hindrance in my way of making investments (0.651)." The statements contained in the factor are related to financial problems faced by women. It is mainly due to the lack of finances that women are not able to invest in the stock market.

2 : Attitudinal Constraints The second dimension, "attitudinal constraints" explained 13.746 percent of the total variance, with an Eigen value of 2.399. It encompasses five statements, namely, "Lack of interest in financial matters is a key reason for not investing in the stock market (0.800)," "Reluctant to use computer technology due to security concerns reduces my participation in stock market (0.746)," "Risk-averse attitude prevents me from undertaking investments involving high amount of risk (0.743)," "My trust on financial professionals is very low which hinders me from making investments (0.699)," and "I feel hesitant in Interacting with men while making stock market transactions (0.626)." These statements cover the weaknesses that women feel are within themselves and prevent them from undertaking the task of investing.

3 : Family Obligations The third factor, "family obligations," accounted for 10.629 percent of the total variance, with an Eigen value of 2.191. It consists of three items such as "I have a tendency to shirk additional work due to my family commitments (0.855)," "It is difficult for me to invest in the stock market due to family restrictions (0.824)," and "Due to the paucity of time I am unable to actively participate in the stock market (0.817)."

4 : Infrastructural Problems The fourth dimension "infrastructural problems" is a combination of three statements. The statements included in the factor are "The non-availability of quickly assimilable information is a cause for lower participation (0.810)," "The lack of efficient grievances handling system lowers my participation in stock market (0.790)," and "The Cumbersome procedure and formalities of stock market restricts me from making investment (0.763)." This factor explains 9.899 percent of the total variance and 1.405 Eigen value. This factor brings out the problems that are specifically related to the stock market.

5 : Gender Stereotypes The fifth factor, "gender stereotypes," accounted for 9.583 percent of the total variance, with an eigen value of 1.193. It includes three items such as "Brokers do not provide the necessary assistance to women to make stock market investments (0.787)," "Stock market is mainly male dominated which acts as a barrier to women's stock market participation (0.730)," and "Sociocultural attitude is such that people do not provide adequate support to women (0.674)." This factor brings out the fact that although an increasing number of women are entering the workplace, the social set up is such that women find it difficult to compete with their male counterparts.

6 : Personal Constraints The sixth factor "personal constraints," explained 8.378 percent total variance with 1.007 Eigen value. The factor comprised three statements, namely, "I lack sufficient technical knowledge which is needed to make stock market investments (0.752)," "I find it difficult to take independent investment decisions (0.672)," and "I find it difficult to communicate with the financial professionals due to the language and style adopted by them (0.666)." June 2018 Jindal Journal of Business Research 7(1):227868211877703

Research Methodology

For the present study, a thorough review of the existing empirical literature has been conducted. Articles published in various online databases and search engines such as Social Science Research Network (SSRN), National Bureau of Economic Research (NBER), Science Direct and Google Scholar were reviewed. In addition, various books on the topic were also reviewed.

Studies were explored to gather information about women's attitude and behaviour in relation to the stock market. Thereafter, an exhaustive study of the literature was undertaken in order to bring out the impediments faced by women while investing in the stock market and to suggest measures in order to improve their stock market participation.

The studies have been reviewed in terms of important measures, namely, objectives, research methodology, sample, respondents and the impediments faced by women while investing in the stock market.

Discussion

This research has examined published work relating to women and their stock market participation. Although women have made a lot of progress in all spheres of life, their participation in the stock market is limited because they have little knowledge of stocks and the working of the stock market. Women need to be provided with specific information, services and products as their information needs are different from that of men in order to ensure their active market participation. An investment educational programme for women is also needed to provide investment strategies that are responsive to their concerns and appreciative of the high demands they experience in their everyday lives. The educational programmes must make women aware of the available financial investment instruments and should help them in shaping their confidence about money matters and investments decisions.

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