



“A Study on the preference of Salaried Employee on various Investment options available with reference to NBFC”

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Abstract

Investment pattern of salaried employee are quite different, the character of employment and income level plays an essential role, but one factor is common for all its regular basis of income may result in eventual investment or monthly saving habit rather than payment saving. This research focused only on salaried persons. Investors are unaware of various investment avenues; meanwhile non-investors are unaware of importance and benefits of investments. This study is that specialize in the pattern, preference, purpose, problem and awareness of Investments by salaried class people and it'll be helpful to spot the higher investment options within the market. 52 respondents constituted sample covering NBFC. Percentage analysis, Chi-Square test and rank analysis are used for research purpose. It can be concluded that salaried employees are conscious of various investments and satisfied with their investments.

Keywords: Investment Avenues, Investment Portfolio, Salaried employees, Awareness.

INTRODUCTION

Investment pattern of salaried employee are quite different, the character of employment and income level plays an essential role, but one factor is common for all its regular basis of income may result in eventual investment or monthly saving habit rather than payment saving. This research focused only on salaried persons. The saving and investment pattern of the salaried employees is different from each other thanks to opinion on safety, return on investments, regular income, tax savings benefits, retirement benefits.

The primary objective of this research is to gain a comprehensive understanding of the investment preferences held

by individuals in the salary class. This entails a meticulous examination of the wide-ranging investment avenues at their disposal, including but not limited to stocks, bonds, real estate, mutual funds, and fixed deposits. By delving into these choices, the research aims to illuminate the investment landscape that resonates most strongly with this group.

The project on "A Study on the Preference of Salary Employee on Various Investment Options Available" serves as a crucial endeavor in unraveling the investment behaviors of the salary class. By examining their preferences, decision-making factors, and risk-return trade-offs, this study aims to contribute to better financial planning and more informed investment decisions within this demographic, ultimately fostering financial well-being and security.

Objectives

1. To identify which investment options the salaried class prefers and to what extent
2. Assess the risk tolerance of the salaried class to understand their willingness to take on financial risks
3. To explore the financial goals and objectives of the salaried class
4. Analyze investment preferences across different demographic segments
5. Identify the factors that influence investment decisions

Scope

The scope of a project titled "A Study on the Preference of the Salaried Class on Various Investment Options Available" is both broad and impactful, as it delves into the dynamics of financial decision-making within a significant segment of the population. This project seeks to comprehensively explore the investment preferences and behaviors of the salaried class, shedding light on various dimensions that can be of great interest to financial institutions, policymakers, and individual investors.

Understanding Investment Choices: The primary scope of this project involves gaining insights into the specific investment options preferred by the salaried class. By analyzing the choices made by this demographic, we can uncover trends and patterns, revealing whether they favor traditional instruments like fixed deposits and real estate, or if they are inclined towards modern investment avenues such as stocks, mutual funds, and digital assets. This understanding is invaluable for financial institutions to tailor their product.

Research Methodology

Research methodology refers to the systematic approach and techniques used to conduct research and gather information to address specific research questions or objectives. The choice of research methodology depends on the nature of the research, the research questions, and the available resources. It gives research legitimacy and provides scientifically sound findings. It also provides a detailed plan that helps to keep researchers on track, making the process smooth, effective, and manageable. A researcher's methodology allows the reader to understand the approach and methods used to reach conclusions.

In this project we are using 'Mixed method research' which involves Quantitative and Qualitative research. For

this project, I am using this method to collect data from the salaried class individuals. This data could then be analysed to identify the preference of individual for the investments options available in the market.

Type of Research

Qualitative :

Qualitative analysis is a research method that focuses on understanding and interpreting non- numerical data. This can include text, images, audio, and video. The goal of qualitative analysis isto gain insights into the meaning, context, and significance of data.

Quantitative :

Quantitative analysis is a research method that uses numerical data to understand and explain phenomena. It involves the collection, organization, and analysis of data using mathematical and statistical techniques. The goal of quantitative analysis is to identify patterns, trends, and relationships in data.

Primary & Secondary data :

Primary Data :

Primary data refers to original information collected directly from the source for a specific research purpose. It is firsthand data gathered through methods like surveys, interviews, observations, or experiments. Primary data is unique to a particular study and is essential for generating new insights and addressing research questions.

Secondary Data :

Secondary data refers to pre-existing information that was collected for a purpose other than the current research. It includes data from sources like books, articles, government reports, and existing databases. Researchers use secondary data to analyze, interpret, or extend existing knowledge on a subject.

I have used the following ways of data resource :-

1. Survey & Questionnaires - Surveys and questionnaires are structured instruments with predefined questions that respondents answer. They can be administered in person, by mail, online, or over the phone. These are useful for collecting quantitative data in research.
2. Interviews - Interviews involve direct one-on-one or group conversations with participants. They can be structured (using a set of predetermined questions) or unstructured (open-ended conversations). Interviews are often used in qualitative research.
3. Record review - Data can be collected from various online sources, including social media platforms, websites, forums, and online surveys. Specialized web scraping tools and social media monitoring software may be used for data collection

Limitations

- Responses from participants may be influenced by social desirability bias, where individuals provide responses they believe are socially acceptable rather than their true preferences. This could impact the accuracy of the data collected.
- The findings may not be generalizable to other demographic groups or to individuals with educational backgrounds, or financial goals.

- The study may focus on a specific set of investment options, potentially overlooking emerging trends or alternative investment vehicles that participants may be interested in.

Data Analysis and Interpretation

Different Age group of Salaried Employee

AGE GROUP	NO. OF EMPLOYEE	PERCENTAGE
20-30 YEARS	26	50%
30-45 YEARS	21	40.5%
45-60 YEARS	5	9.5%
TOTAL	52	100%

Table 1: Age groups of salaried Employee

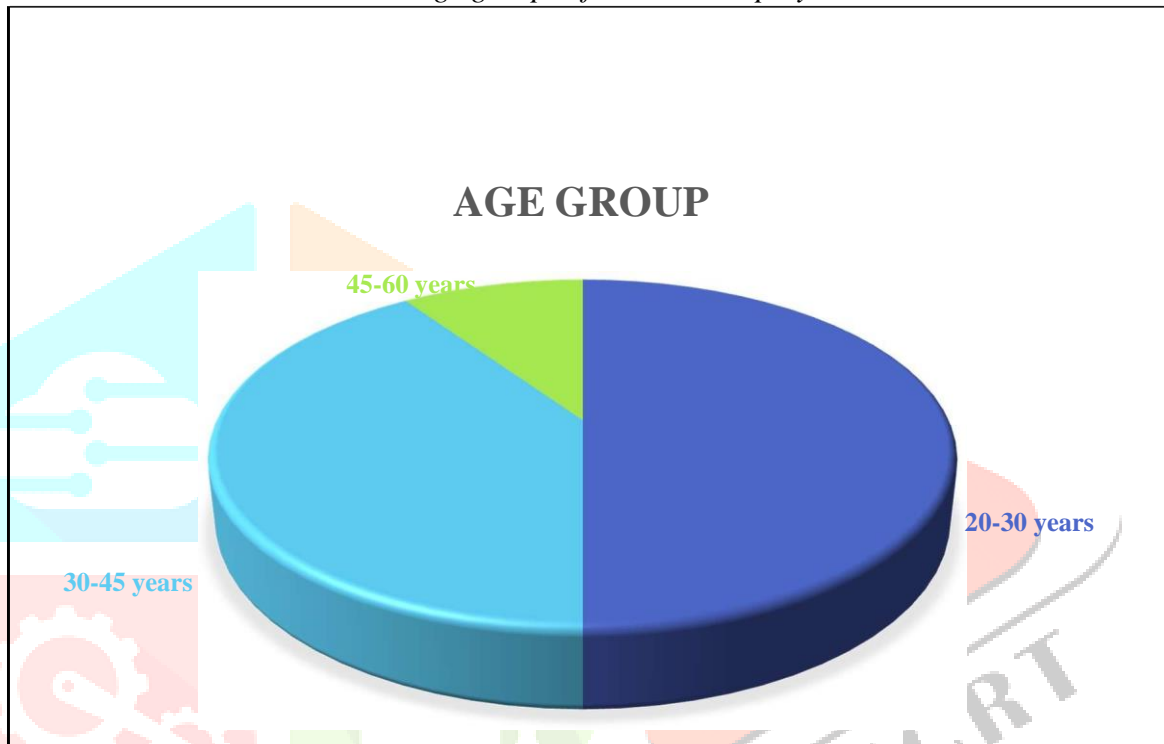


Chart 1: Age groups of salaried Employee

- The above table shows that the 50% of the employees in the research are of 20-30 years of age group and 40.5% are of 30 to 45 years of age group and the lowest is of 45 to 60 years of age group which are majorly senior level.

Number of Investors in different Employment Level

EMPLOYEEMENT LEVEL	NO. OF INVESTORS	PERCENTAGE
SENIOR LEVEL	6	11.5%
MIDDLE LEVEL	20	38.5%
ENTRY LEVEL	26	50%
TOTAL	52	100%

Table 2: Investors Employment level

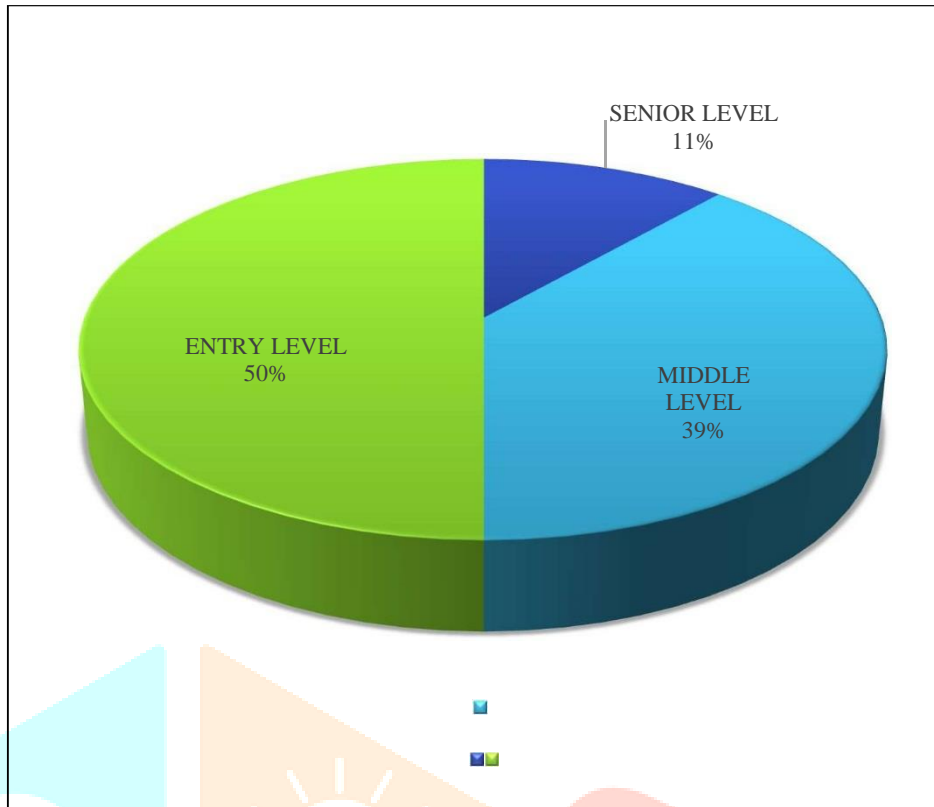


Chart 2: Investors Employment level

- The above table shows that 50% i.e. 26 investors from 52 are the investors which are entry level in the employment, 38.5% i.e. 20 investors are the investors which are middle level and 11.5% i.e. 6 investors are the investors which are senior level.

Qualification of Employee

QUALIFICATION	NO. OF EMPLOYEES	PERCENTAGE
BBA	7	15%
BCA	4	7.5%
BCOM	6	11.5%
BE	6	11.5%
BTECH	3	5.2%
BSC	2	3.8%
MBA	19	36.5%
MTECH	3	5.2%
PHD	2	3.8%
TOTAL	52	100%

Table 3: Qualification of Employees

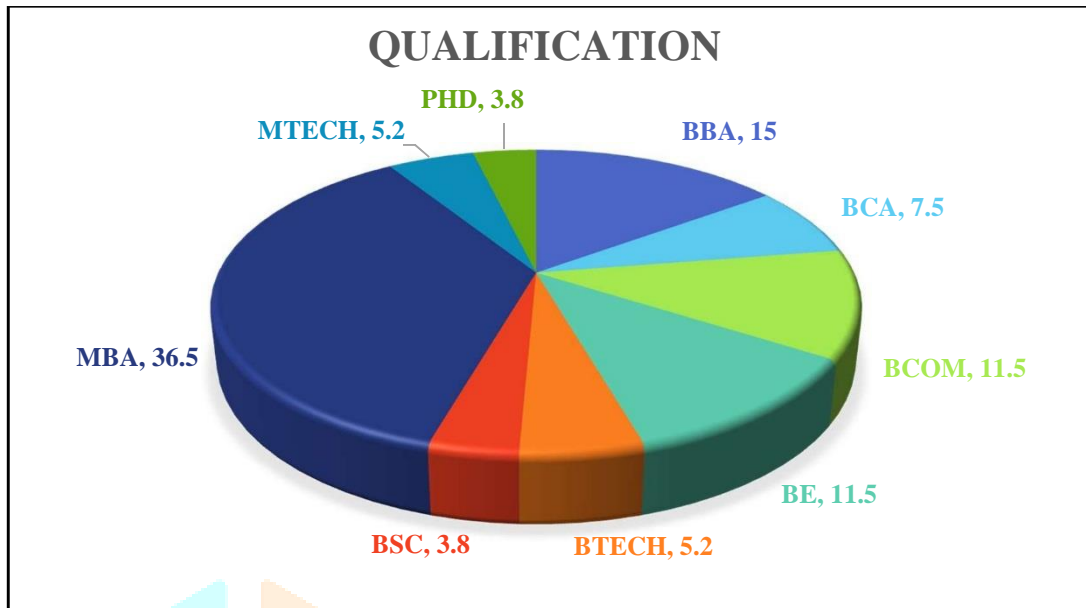


Chart 3: Qualification of Employees

- In the above pie chart and table there are the different qualification of all the employees in this research project wherein the majority are of MBA qualification which is 36.5% of all other employee's equalification level.

Do the Employee already Invest

Investment	No. of Employee	Percentage
Yes	29	55.5%
No	23	44.5%
Total	52	100%

Table 4: Do the Employees currently Invest



Chart 4: Do the Employees currently Invest

- As per the above table and graph out of 52 employee 29 employees have already invested their money and 23 have yet not invested their money.

Current Investment's of the Investor

INVESTMENT OPTIONS	NO. OF RESPONSE	PERCENTAGE
FIXED DEPOSITS	3	10%
INSURANCE	5	18%
GOLD	4	13%
REAL ESTATE	2	7%
MUTUAL FUND	7	24%
STOCK	8	28%
TOTAL	29	100%

Table 5: Investors most preferred current investment option

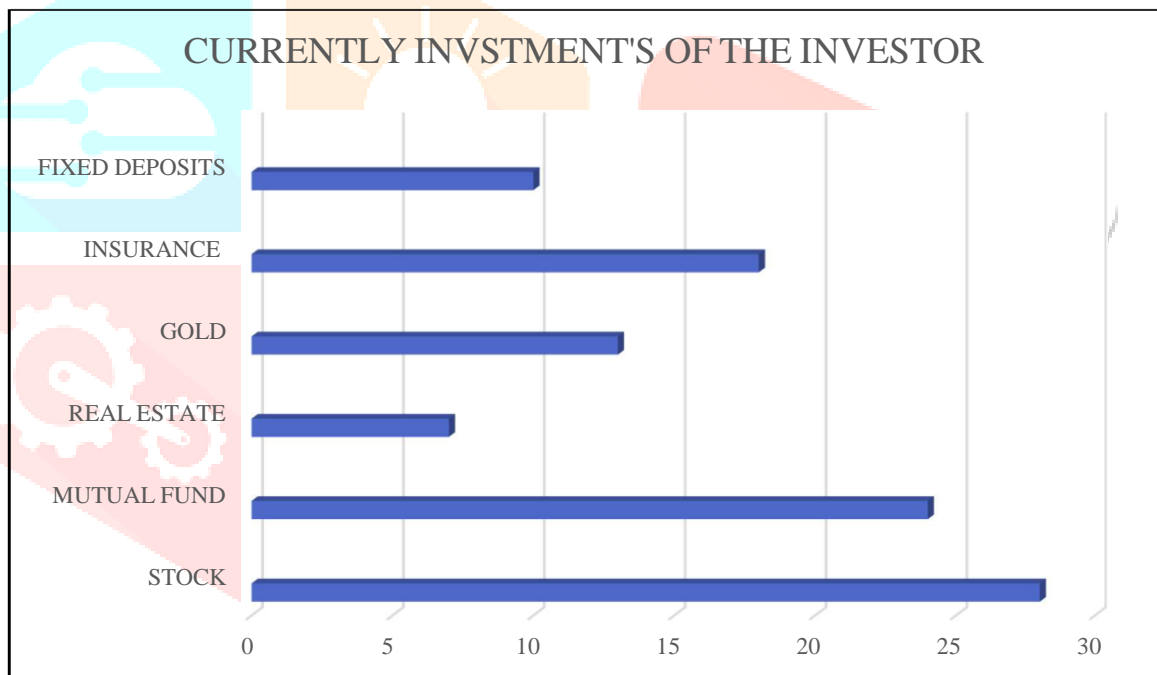


Chart 5: Investors most preferred current investment option

- The table provides insights into the current investment options held by the surveyed investor. Stock Market is the investment options which is most popular investment options among this group, with 28% of investors having in the asset class. Even Mutual fund and Insurance are also popular choices with 24% and 18% of investors respectively. Real Estate constitute the smallest portion of the surveyed investors portfolio.

Awareness about the Investment options available in the market

AWARENESS OF INVESTMENT	NO. OF EMPLOYEE	PERCENTAGE
YES	35	67%
NO	17	33%
TOTAL	52	100%

Table 6: Awareness of Investment options among Employees

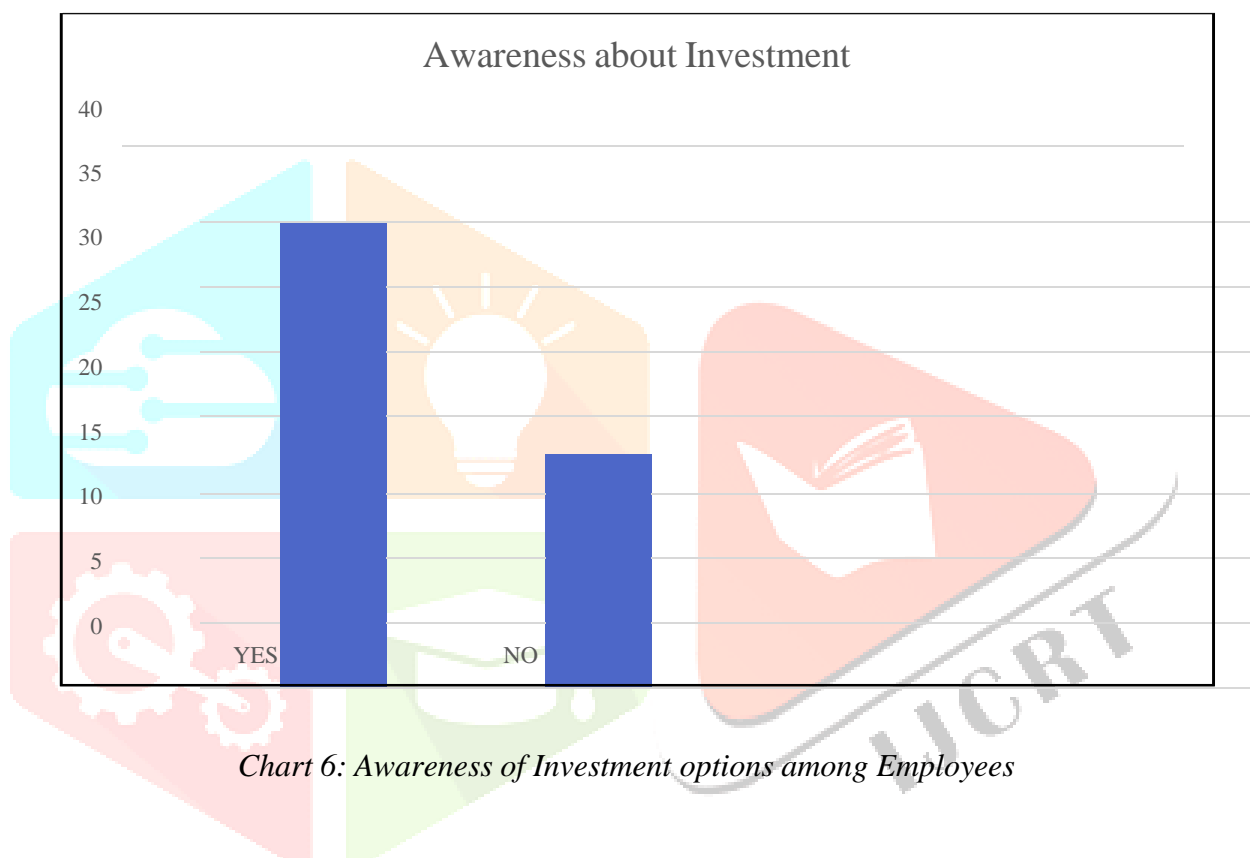


Chart 6: Awareness of Investment options among Employees

- In the above table and chart we get the information that 35 out of 52 employees are aware about various Investment options available in the market and also they know the risk associated with the preferred investment.

Risk taking capacity of the Employees

RISK TAKING CAPACITY	NO. OF EMPLOYEE	PERCENTAGE
10-20%	8	15%
20-40%	19	36.5%
40-60%	16	30.5%
60-80%	9	18%
TOTAL	52	100%

Table 7: Risk taking capacity of Employees

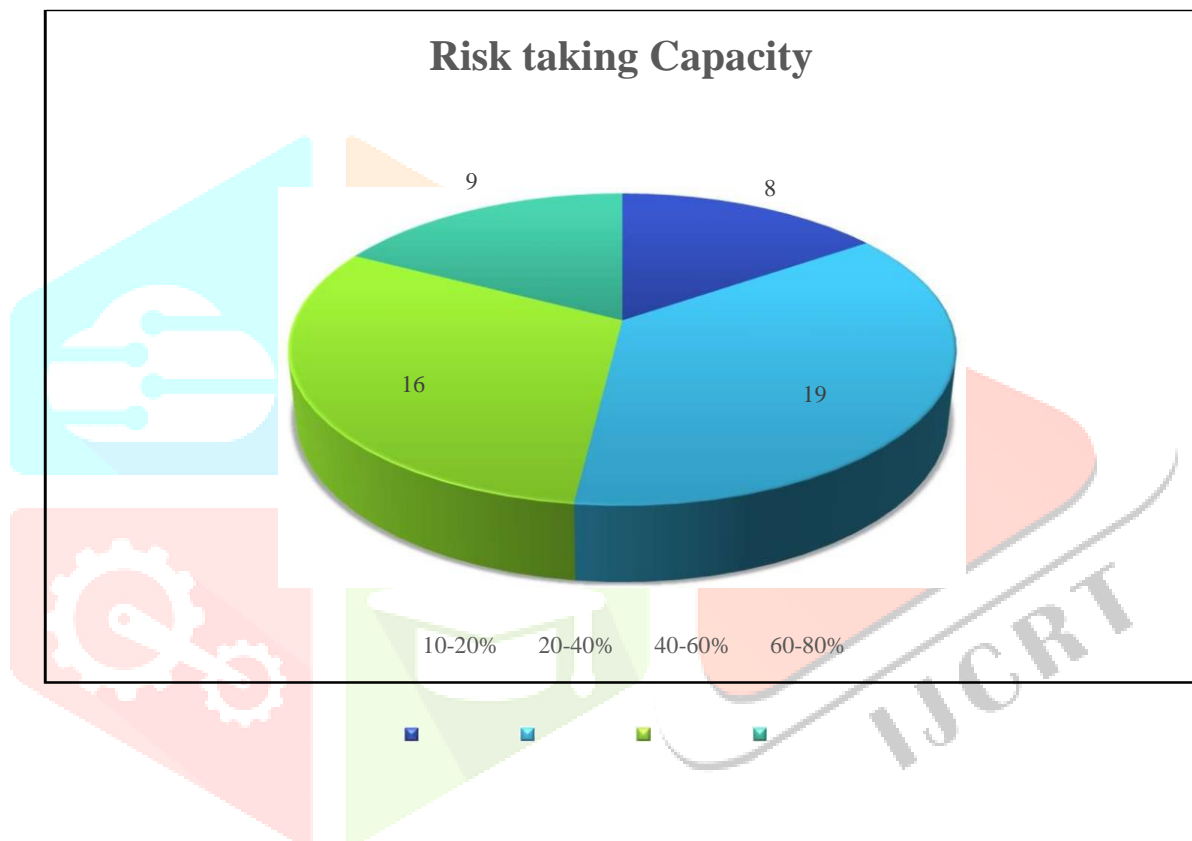


Chart 7: Risk taking capacity of Employees

- In this research project 26 out of 52 employees are entry level employee and also of the young age so the risk taking capacity of the overall employees is more therefore out of 52 employees 19 and 16 employees choose risk between 20 to 40% and 40% to 60% risk in the Investment.

Employee’s capacity of Investing every month

AMOUNT RANGE	NO. OF EMPLOYEES	PERCENTAGE
500-5000RS	30	57.5%
5000-10000RS	11	21%
10000-15000RS	7	13.5%
15000-20000RS	4	8%
TOTAL	52	100%

Table 8: Employee’s capacity of Investing every month

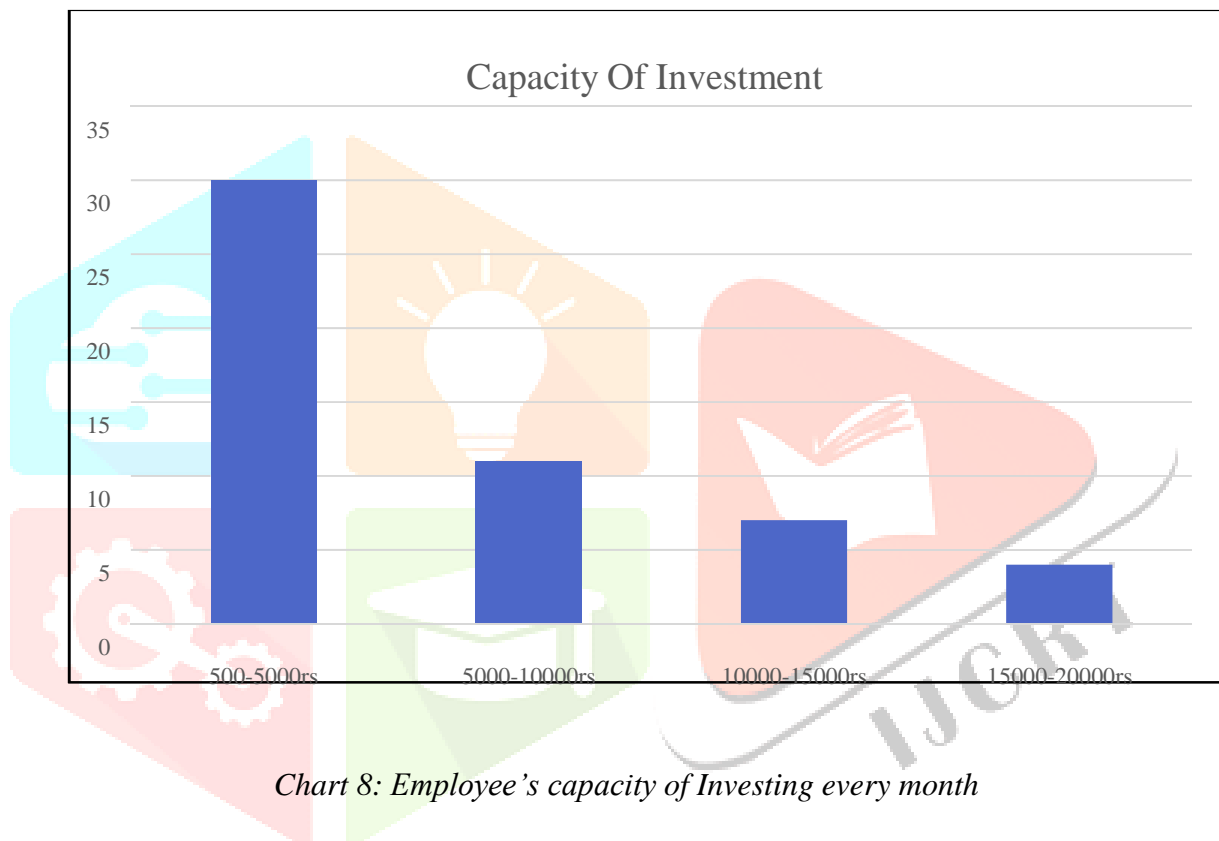


Chart 8: Employee’s capacity of Investing every month

- Referring the above table and chart we can say that bmajority of them can invest between 500rs to 5000rs in a month as most of the employee in this project are the entry level employees in the corporate sector.

Future planning of Employees

FUTURE PLANNING	PERCENTAGE
RETIREMENT PLAN	18%
CHILDREN'S EDUCATION	6%
WEALTH CREATION	32%
BUYING A HOUSE	27%
STARTING A BUSINESS	17%
TOTAL	100%

Table 9: Future planning of Employees

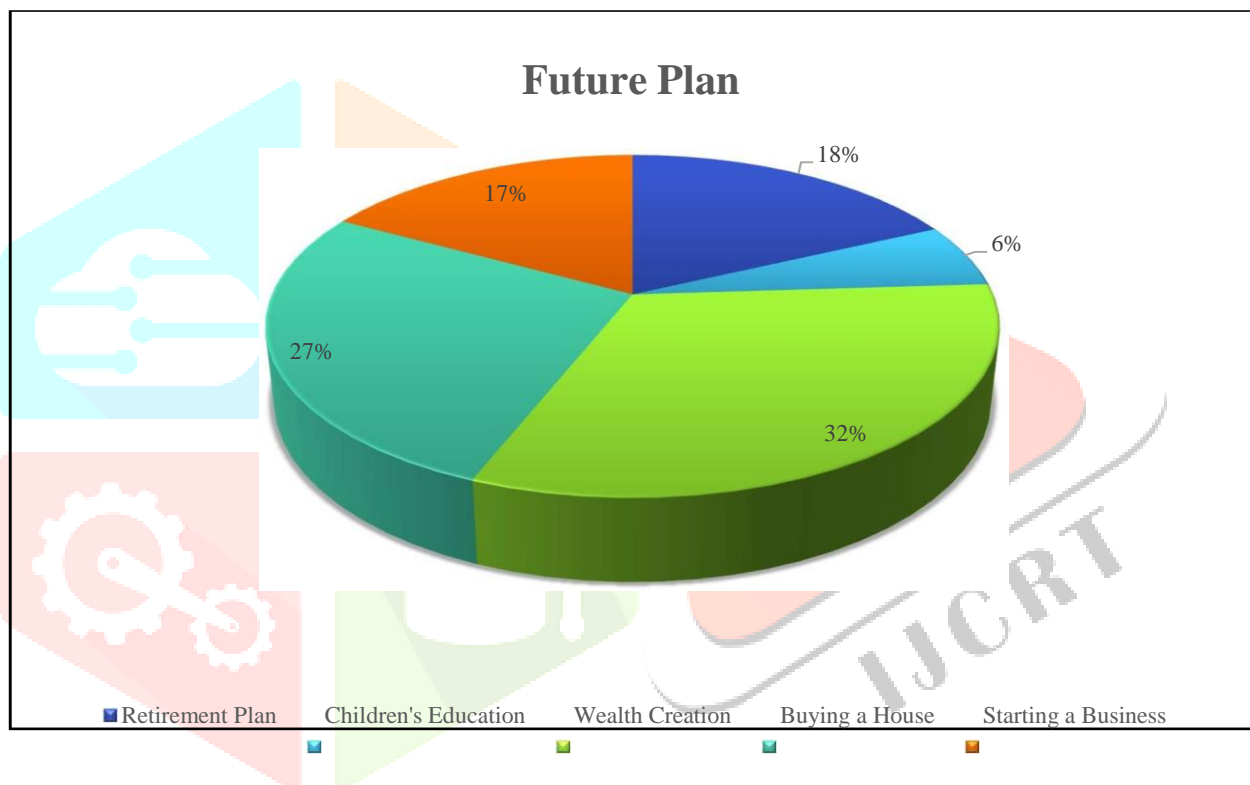


Chart 9: Future planning of Employees

- The information of the future plan of the employees are provided in the about table and pie-chart which tells us that the most of them has choosen wealth creation and buying a house as their future plan as the percentage is more towards them.

Investors Preference on various investments options :

INVESTMENT OPTIONS	AVERAGE PREFERENCE	PERCENTAGE
STOCK	22	22%
MUTUAL FUND	19	19%
REAL ESTATE	19	19%
GOLD	14	14%
INSURANCE	16	16%
FIXED DEPOSITS	10	10%
TOTAL	100	100%

Table 10: Preference of investors on various investment options

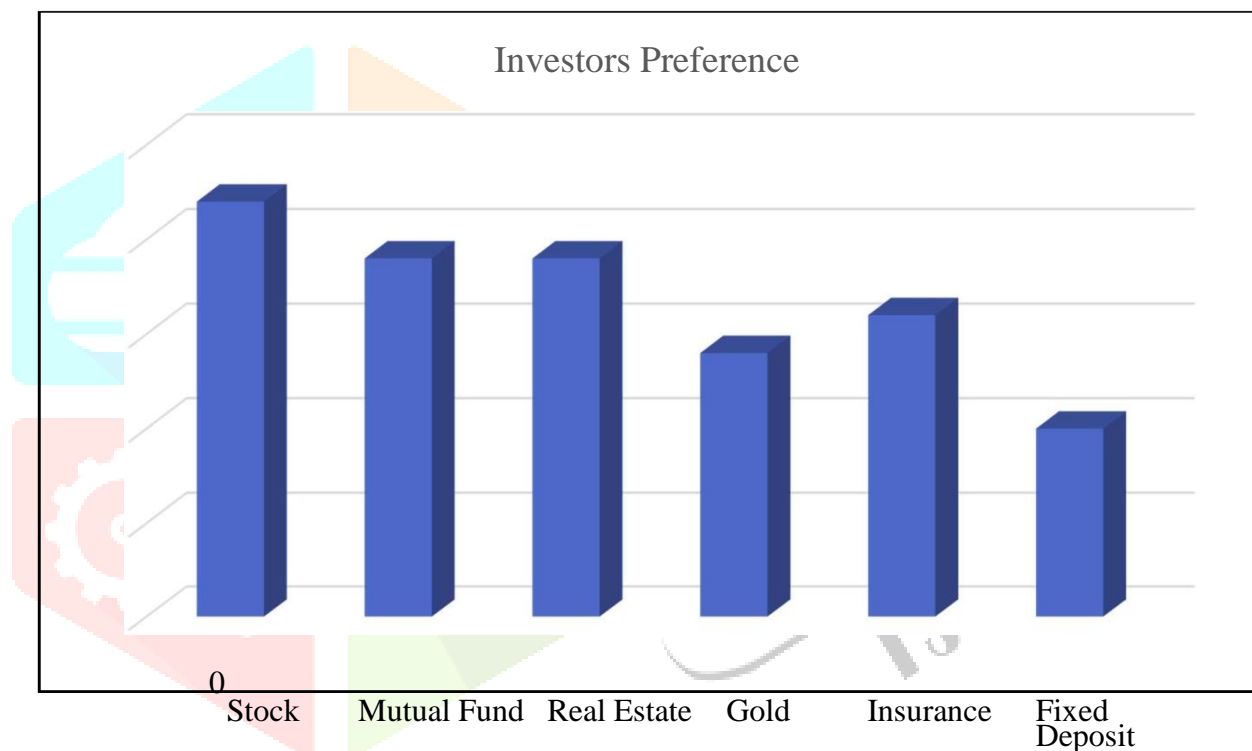


Chart 10: Preference of investors on various investment options

- The data provides the preference of the investors where they are willing to invest accordingly. I have collected the data of 52 salaried class individuals from which 22% which the highest wants to invest in Stock Market and after that Mutual Fund & Real Estate are the more preferred choice of the individuals.

Findings, Suggestions and Conclusion

Findings from the research is that a large number of working individuals prefer to play it safe with their investments. They like putting their money in things like provident funds and fixed deposits. It's similar to placing their savings in a sturdy piggy bank – a secure and known place where they feel their money is protected. Interestingly, we also identified a smaller but adventurous group within the salaried class. These individuals are willing to take risks and explore options like stocks and mutual funds. It's a bit like trying out new games – there's excitement in the possibility of earning more, even though there's a chance of facing losses. This group is open to the idea of taking calculated risks for potentially higher returns.

As we go deeper, it became evident that the more people know about different investment possibilities, the more willing they are to step beyond the traditional choices. Another important aspect we got to know is the significant preference on retirement plans offered by employers. Many people find comfort in these plans, seeing them as a simple and effective way to save money for the future. It's like having a financial partner in the form of their workplace, guiding them towards a secure and stable future.

Suggestions

- Financial institutions can design personalized risk management strategies. This might include creating investment portfolios that align with an individual's risk tolerance level. Providing customized advice and options will empower individuals to make decisions that suit their comfort with financial risk.
- Financial institutions should consider offering flexible investment products that cater to a range of financial goals. This might involve creating investment plans that can be adapted to different life stages, allowing individuals to adjust their strategies based on changing objectives.
- Tailor marketing and educational campaigns based on demographic characteristics. For instance, younger individuals might respond well to digital and tech-savvy platforms, while older segments might benefit from more traditional communication methods. Understanding these differences allows for more effective outreach.
- Organize financial planning workshops that guide individuals in aligning their investments with specific goals. These workshops can provide practical advice on creating actionable plans for short-term and long-term objectives. Empowering individuals with the tools to achieve their financial dreams enhances financial literacy and goal attainment.

Conclusion

- Majority favor a balanced approach with preferences for Stock market, mutual funds and provident funds.
- The salaried employee approaches investments with a refined perspective that is some approach that favours traditional and secure even also some prefer into market-linked instruments.
- Also we understood that the entry level employee segment majorly focuses towards risk part.
- Even the divide between those who play it safe and those willing to hold risk is a central theme for the project.

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