# A COMPARATIVE ANALYSIS OF GOVERNMENT AND PRIVATE SECTOR EMPLOYEES PREFERENCE ON VARIOUS INVESTMENT AVENUES

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## ABSTRACT

India needs very high rate of investments to make a bound forward in efforts of attaining high level of growth. Since the beginning of planning, the prominence was on investments the primary instruments of economic growth and increase in national income. This study attempts to premeditated the investment preference of salaried group of people using convenient sampling method. The outlook from the employees belong to salaried earners, and the population is fixed as 500. Instead of studying the complete range of investors, it is focusing only one segment called salaried Government employees. A variety of statistical tools are employed to analyze the data like Friedman Rank Test, Chi-square, etc to identify the right relationship among the factors related with investment. Finally it is concluded that salaried group nevertheless of age and annual Income, besides their occupation and marital status they used to prefer the investment option which will provide the long term benefit and highly secured cum profitable avenues. The present study is an empirical study to identify the extent, nature and preferences of the investors in Coimbatore district and to ascertain their investment habits. The study area is featured by a good number of salaried employees belonging to the Government employees who have the ability to save and invest.

**Key Words:** Investment, Government Employees, Safety, Tax Benefits

## 1. INTRODUCTION

India needs very high rate of investments to make a leap forward in efforts of attaining high levels of growth. Since the beginning of planning, the emphasis was on investmentas the primary instruments of economic growth and increase in national income. In order to have production as per target, investment was considered the crucial determinant and capital formation had to be supported by appropriate volume of saving. There are a large number of investment instruments available today. To make the investors lives easier the products are available for the investors. Some of them are marketable and liquid while others are non liquid and some of them also highly risky while others are almost risk less. The investors have much choice to choose among the existing investment avenues depending upon their specific need, risk preference and return expected.

## 2. SIGNIFICANCE OF THE STUDY

The understanding of the relationship between the savings and investment pattern is essential as savings forms the basis for the development of the economy. If the savings and investment pattern among the households is good, then it results in the development of both money and capital market and in turn the economy. This study will help the salaried class employees to plan savings and investment towards maximising the returns. The in depth analysis of the preference and risk perception will help the Government to work out the various feasible schemes to mobilize finance from salaried class investors.

## 3. REVIEW OF LITERATURE

**Karthikeyan (2001)**[4]has conducted research on Small Investors' Perception on Post Office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for KisanVikasPatra, National Savings Schemes, and Deposit Scheme for Retired Employees and the overall score confirmed that the level of awareness among investors in the old age group was higher than in those of the young age group. Out of the factors analyzed, necessities of life and tax benefits were two major ones that influence the investors both in semi-urban and urban areas. Majority (73.3 per cent) of investors of both semiurban and urban areas were very much willing to invest in small savings schemes in opportunity provided they have more for savings.

**Kumar, Banu and Nayagam (2008)**[6] studied the financial product preferences of Tiruchirapalli investors to rank their product preferences among investment choices, that is, post office savings, bank deposits, gold, real estate, equity investments and mutual funds. The preferences of the respondents were known according to their attributes like safety of principal, liquidity, stability of income, capital growth, tax benefits, inflation resistance and concealability. So, the investors needed to make choices depending on what is available and what are his own priority ratings of the attribute needed in the product. The rank preferences of investors were prioritized as post office, bank deposits, gold, real estate, equity investments and mutual funds.

**Sunil Gupta (2008)**[7] the investment pattern among different groups in Shimla had revealed a clear picture. The study showed that the more investors in the city favour to deposit their surplus in banks, post offices, fixed deposits, saving accounts and different UTI schemes, etc. The approach of the investors towards the securities in general was bleak, though service and professional class is going in for investment in shares, debentures and in different mutual fund schemes. Most of the horticulturists in Shimla city who belong to Apple belt though being rich have a tendency of investing then surpluses in fixed deposits of banks, provident funds, Post Office savings, real estates, etc. for desire of safety and suitability of returns.

## 4. OBJECTIVE OF THE STUDY

The purpose of the analysis is to determine the investment behavior of Government employees and investment preferences for the same.

- To make a comparative study on the factors influencing investment pattern opted by Government and private employees.
- To examine and compare the investment preference of Government and Private Employees.

## 5. RESEARCH METHODOLOGY

There are only a few studies covering the issue of investor awareness, perceptions and behavior. The issues investigated in the present study include preference of investment avenues and investment pattern is the most preferred objectives of investors towards the investment avenues.

## 6. SOURCES OF INFORMATION:

**Primary Data:** Information is collected by conducting a survey by distributing a questionnaire to 500 in Coimbatore District using Convenient Sampling Technique. These 500 Government employees are of different age group, different occupation, different income levels, and different qualifications. **Secondary Data:** This data is collected from Articles in Financial Newspapers, Expert's opinion published in various print media, Books written by various Foreign and Indian authors on Investments and Data available on internet.

**Techniques used for Analysis:** Tools like ANOVA Test, t-test, Freidman's Ranking Analysis were used.

## 7. SOCIO-ECONOMIC PROFILE OF THE GOVERNMENT EMPLOYEES

The socio-economic profile of the Government employees constitutes a significant component in understanding the social structure of the society. The variables that relate to structural position are age, education, income, expenditure, savings and investments. The age analysis helps in classifying the employees to indicate existing population structure. It is assumed that aged employees give a mature insight into various changing dimensions of the society. Education affects employment chances and values of the employees towards society. The ever changing scenario with regard to income, expenditure, saving reflects changes in standard of living of the employees and quality of life.

## 8. ANALYSIS AND INTERPRETATION

### I) Preference for Investment Avenues -Friedman's Ranking Test.

### A) Factors Influencing for Investment

Friedman Rank Analysis has been applied to assess the factors influencing the Government and Private sector employees to investment. Table 1 below shows the information about the factors along with the mean ranking.

**Table 1: Factors influencing investment**

| | Government | | Private | |
|---|---|---|---|---|
| **Investment Factors** | **Mean Score** | **Rank** | **Mean Score** | **Rank** |
| Higher Liquidity | 6.80 | 6 | 7.03 | 4 |
| Safety of Money | 8.87 | 1 | 9.07 | 1 |
| Regular Returns | 7.40 | 3 | 7.46 | 2 |
| High Returns | 6.74 | 7 | 7.01 | 5 |
| Long Term Benefits | 7.09 | 4 | 7.29 | 3 |
| Capital Appreciation | 6.02 | 9 | 6.23 | 8 |
| Tax Benefits | 7.55 | 2 | 6.81 | 7 |
| Social Prestige Value | 5.02 | 10 | 4.88 | 11 |
| Future Security | 6.83 | 5 | 6.85 | 6 |
| Low Risk | 6.49 | 8 | 6.14 | 9 |
| Past Performance | 4.89 | 11 | 4.96 | 10 |
| Market Segment | 4.32 | 12 | 4.27 | 12 |

**Test Statistics**

| | Government | Private |
|---|---|---|
| N | 500 | 500 |
| Chi-Square | 931.556 | 987.561 |
| df | 11 | 11 |
| Asymp. Sig. | .000 | .000 |

The Table 1, reveals that safety of money (8.87) is given top Priority among Government employees followed by Tax benefits (7.55), regular returns (7.40), long term benefit(7.09) etc. whereas the private sector employees factors like Safety of money is given top Priority followed by regular returns (7.46), long term benefit(7.29) etc. The Chi-square test has been used to find the factors influencing investment. The value obtained for government employees is 931.556 and for private sector employees are 987.561.The influencing factors which are considered for the investment are significantly associated to the level of investment.

**II) COMPARISON ON PREFERENCE OF INVESTMENT OF GOVERNMENT AND PRIVATE SECTOR EMPLOYEES**

The preferred study identifies the preferred investment avenues among the Government employees using self assessment test. It also attempts to study the relationship between personal and demographic profile of the Government employees and the investment avenues chosen by them.

**B) PREFERENCE FOR INVESTMENT**

**a) Age**

**Table 2: Age and Preference for Investment**

| Age | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Up to 30 | 98<br>19.60 | 61.53 | 13.33-98.33 | 295<br>(59.00) | 62.30 | 6.67-100.00 |
| 31 to 50 | 318<br>63.60 | 56.76 | 6.67-100.00 | 181<br>(36.20) | 60.28 | 6.67-100.00 |
| Above 50 | 84<br>16.80 | 47.34 | 6.67-86.67 | 24<br>(4.80) | 49.79 | 8.33-85.00 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:9.048<br>Table value: 5%level : 3.014<br>1% level : 4.648 | | | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:3.796<br>Table value: 5% level : 3.014<br>1% level : 4.648 | | |

The Table 2 exhibits that, Government and private sector employees meanpreference index is high (62.30) up to 30 years and is low (49.79) above 50 years. The ANOVA test result indicates that Government employees' preference for investment differs as per the age groups and there is no difference in preference among private sector employees.

### b) Gender

**Table 3: Gender and Preference for Investment**

| Gender | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Male | 331 (66.20) | 54.66 | 6.67-100.00 | 347 (69.40) | 59.75 | 6.67-100.00 |
| Female | 169 (33.80) | 58.95 | 6.67-100.00 | 153 (30.60) | 63.71 | 6.67-100.00 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:498 Calculated 't' Value:-1.961<br>Table value: 5% level : 1.965<br>1% level : 2.586 | | | d.f.:498 Calculated 't' Value:-1.866<br>Table value: 5% level : 1.965<br>1% level : 2.586 | | |

In the Table 3, the Government and private sector employees, Mean preference index is high (63.71) among female employees and is low (59.75) among male employees. Thus, ANOVA result infers that, femalesof both Government and private sector employees have high Preference for Investment.

### c) Marital Status

**Table 4: Marital Status and Preference for Investment**

| Marital Status | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Married | 430 (86.00) | 55.36 | 6.67 (100.00) | 258 (51.60) | 59.60 | 6.67 (100.00) |
| Single | 70 (14.00) | 60.71 | 8.33 (100.00) | 242 (48.40) | 62.42 | 6.67 (100.00) |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:498 Calculated 't' Value:-1.791<br>Table value: 5% level : 1.965<br>1% level : 2.586 | | | d.f.:498 Calculated 't' Value:-1.442<br>Table value: 5% level : 1.965<br>1% level : 2.586 | | |

The Table 4 shows that, both Government and private sector employees, Mean Preference Index is high (62.42%) among single or unmarried employees and is low (59.60%) among married employees. Therefore, there is no difference among employees in marital status.

### d) Number of Family Members

**Table 5: Number of Family Members and Preference for Investment**

| Number of Family Members | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Up to 2 | 175 (35.00) | 51.44 | 6.67 (91.67) | 137 (27.40) | 60.30 | 6.67 (100.00) |
| 3 to 4 | 271 (54.20) | 58.72 | 6.67 (100.00) | 280 (56.00) | 61.18 | 6.67 (100.00) |
| Above 4 | 54 (10.80) | 58.15 | 8.33 (96.67) | 83 (16.60) | 61.34 | 8.33 (100.00) |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:5.552<br>Table value: 5% level : 3.014<br>1% level : 4.648 | | | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:0.088<br>Table value: 5% level : 3.014<br>1% level : 4.648 | | |

The Table 5 depicts, that Government and private sector employees, mean preference index is high (58.72) with 3 to 4 members as number of family members and is low (51.44) upto 2 membersas number of family members. ThePrivate sector employees, mean preference index is high (61.34) among 4 members as number of family members and is low (60.30)up to 2 members in the family. Therefore, Government employees having 3 to 4 members in the family and in case of private sector employees above 4 members in the family have high Preference for Investment.

### e) Educational Qualification

**Table 6 : Educational Qualification and Preference for Investment**

| Educational Qualification | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| SSLC | 17 (3.40) | 37.75 | 8.33-80.00 | 9 (1.80) | 37.59 | 13.33-66.67 |
| Diploma | 52 (10.40) | 50.99 | 6.67-95.00 | 58 (11.60) | 60.37 | 6.67-100.00 |
| H.Sc., | 14 (2.80) | 50.36 | 15.00-81.67 | 12 (2.40) | 70.42 | 53.33-85.00 |
| Under Graduate | 104 (20.80) | 55.40 | 8.33-100.00 | 139 (27.80) | 58.72 | 6.67-100.00 |
| Post Graduate | 169 (33.80) | 57.35 | 6.67-100.00 | 126 (25.20) | 60.89 | 6.67-100.00 |
| Professional | 144 (28.80) | 59.75 | 8.33-100.00 | 156 (31.20) | 63.88 | 6.67-96.67 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 5 $\nu_2$494 Calculated F Value:3.716 Table value: 5% level : 2.232 1% level : 3.054 | | | d.f.:$\nu_1$ 5 $\nu_2$494 Calculated F Value:3.426 Table value: 5% level : 2.232 1% level : 3.054 | | |

From the Table 6, the government and private sector employees, Mean Preference Index is high (63.88) inprofessionally qualified employees and is low (37.75%) at school level educated employees. Therefore, the employees'Preference for Investment varies according to their educational qualification.

### f) Monthly Income

**Table 7: Monthly Income and Preference for Investment**

| Monthly Income | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Up to Rs25000 | 107 (21.40) | 54.39 | 8.33-100.00 | 282 (56.40) | 58.59 | 6.67-100.00 |
| Rs25000-50000 | 267 (53.40) | 55.84 | 6.67-100.00 | 155 (31.00) | 64.70 | 13.33-100.00 |
| Above Rs50000 | 126 (25.20) | 58.14 | 8.33-100.00 | 63 (12.60) | 62.41 | 8.33-100.00 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:0.787 Table value: 5% level : 3.014 1% level : 4.648 | | | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:4.085 Table value: 5% level : 3.014 1% level : 4.648 | | |

The Table 7 shows that, the Government employees, mean preference index is high (58.14%) at above Rs50000 of monthly income and is low (54.39%)up to Rs25000 of monthly income. In case of private sector employees, mean preference index is high (64.70%) ranging at

Rs25000 to Rs50000 of monthly income and is low (58.59%) up to Rs25000 of monthly income. From the ANOVA result it is clear that the Government employees Preference for Investmentdo not differ with the monthly income and forprivate sector employeesit differs with the monthly income.

### g) Monthly Expenditure

**Table 8: Monthly Expenditure and Preference for Investment**

| Monthly Expenditure | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Up to Rs15000 | 139 (27.80) | 58.30 | 8.33-91.67 | 259 (51.80) | 59.19 | 6.67-100.00 |
| Rs15001 - Rs30000 | 230 (46.00) | 53.61 | 6.67-100.00 | 182 (36.40) | 62.71 | 6.67-100.00 |
| Above Rs30000 | 131 (26.20) | 58.18 | 8.33-100.00 | 59 (11.80) | 63.42 | 8.33-91.67 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:2.482<br>Table value: 5% level : 3.014<br>1% level : 4.648 | | | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:1.796<br>Table value: 5% level : 3.014<br>1% level : 4.648 | | |

The Table 8 shows that, in case of Government employees, Mean Preference Index is high (58.30%) up to Rs15000 and is low (53.61%) inbetween Rs15001 toRs30000. Among Private sector employees, Mean Preference Index is high (63.42%) at above Rs30000 and is low (59.19%) up to Rs15000. The ANOVA result shows that there is no significant difference among the Government and private sector employees in monthly expenditure. The employees' Preference for Investment does not differ according to their monthly expenditure.

### h) Monthly Savings

**Table 9 : Monthly Savings and Preference for Investment**

| Monthly Savings | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Up to Rs7500 | 128 (25.60) | 51.51 | 6.67-100.00 | 258 (51.60) | 61.18 | 6.67-100.00 |
| Rs7501 to Rs15000 | 165 (33.00) | 58.04 | 6.67-98.33 | 147 (29.40) | 58.63 | 6.67-95.00 |
| Above Rs15001 | 207 (41.40) | 57.42 | 6.67-100.00 | 95 (19.00) | 64.02 | 8.33-100.00 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:3.435<br>Table value: 5% level: 3.014<br>1% level : 4.648 | | | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:1.774<br>Table value: 5% level : 3.014<br>1% level : 4.648 | | |

The Table 9 shows that, in case of Government employees, mean preference index is high (58.04%) ranging atRs7501 to Rs15000 and is low (51.51%) with up to Rs7500. In case of Private sector employees, Mean Preference Index is high and low (64.02%) at above Rs15001. The ANOVA result shows that there exist significant mean difference among the Government employees and there is no significant mean difference in case of private sector employees. Therefore the employees' Preference for Investment differs according to their monthly savings.

### i) Employment Sector

**Table 10 : Employment Sector and Preference for Investment**

| Sector | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Bank* | 37 | 65.45 | 8.33-100.00 | 4 | 70.00 | 61.67-91.67 |
| Communication# | (7.40) | | | (0.80) | | |
| Insurance* | 25 | 64.20 | 6.67-100.00 | 7 | 67.62 | 35.00-86.67 |
| Bank# | (5.00) | | | (1.40) | | |
| Local Bodies* | 71 | 56.55 | 13.33-91.67 | 168 | 62.34 | 6.67-100.00 |
| IT Sector# | (14.20) | | | (33.60) | | |
| Postal Dept.* | 72 | 48.13 | 8.33-100.00 | 15 | 60.89 | 6.67-88.33 |
| Textile Industry# | (14.40) | | | (3.00) | | |
| Elec. Board* | 62 | 53.60 | 8.33-95.00 | 16 | 65.42 | 28.33-85.00 |
| Insurance Companies# | (12.40) | | | (3.20) | | |
| Educational Institutions.* | 138 | 55.53 | 6.67-100.00 | 4 | 73.75 | 58.33-85.00 |
| Chit Fund Agencies# | (27.60) | | | (0.80) | | |
| Railway Department* | 20 | 54.58 | 6.67-85.00 | 167 | 62.54 | 6.67-100.00 |
| Engineering Industry# | (4.00) | | | (33.40) | | |
| Telecommunication* | 26 | 55.19 | 6.67-85.00 | 47 | 62.77 | 15.00-100.00 |
| Educational Institution# | (5.20) | | | (9.40) | | |
| Govt Hospital * | 49 | 61.94 | 8.33-100.00 | 72 | 50.12 | 6.67-98.33 |
| Private Hospital# | (9.80) | | | (14.40) | | |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 8 $\nu_2$491 Calculated F Value:2.769<br>Table value: 5% level : 1.957<br>1% level : 2.548 | | | d.f.:$\nu_1$ 8 $\nu_2$491 Calculated F Value:2.941<br>Table value: 5% level : 1.957<br>1% level : 2.548 | | |

*** Government Sector # Private Sector**

The Table 10 shows that, the Government employees Mean Preference Index is high (65.45%) for Bank employees and is low (48.13%) for Postal department employees. In case of Private sector employees, mean preference index is high (73.75%) among educational Institution employees and is low (50.12%) belonging to private hospital employees. The result of ANOVA test shows that there is a significant difference among the Government and private sector employees in the preference according to their nature of employment.

### j) Period of Investment

**Table 11: Period of Investment and Preference for Investment**

| Period of Investment | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Up to 5 Yrs. | 234 (46.80) | 58.47 | 6.67-100.00 | 309 (61.80) | 61.50 | 6.67-100.00 |
| 6 to 10 Yrs. | 146 (29.20) | 55.19 | 6.67-100.00 | 105 (21.00) | 64.41 | 6.67-100.00 |
| Above 10 Yrs. | 120 (24.00) | 52.63 | 8.33-91.67 | 86 (17.20) | 54.84 | 8.33-88.33 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:2.685 Table value: 5% level : 3.014 1% level : 4.648 | | | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:4.816 Table value: 5% level : 3.014 1% level : 4.648 | | |

The Table 11 shows, that in case of the Government and private sector employees, mean preference index is high (61.50%) up to 5 yrs of period of investment and is low (52.63%) atabove 10 years of period of investment. In case of Private sector employees, Mean Preference Index is high (64.41%) with 6 to 10 years as period of investment and is low (54.84%) with above 10 years of period of investment. The result of ANOVA shows that there is no difference in period of investmentamong the Government employees and in case of private sector employees there exist difference.

### k) Nature of Investments

**Table 12: Nature of Investment and Preference for Investment**

| Nature of Investment | Government | | | Private | | |
|---|---|---|---|---|---|---|
| | Numbers | Preference Index | Range | Numbers | Preference Index | Range |
| Liquid | 165 (33.00) | 52.69 | 8.33-100.00 | 188 (37.60) | 60.12 | 6.67-100.00 |
| Non-Liquid | 85 (17.00) | 51.59 | 6.67-100.00 | 86 (17.20) | 54.86 | 6.67-100.00 |
| Both | 250 (50.00) | 59.91 | 6.67-100.00 | 226 (45.20) | 63.99 | 6.67-100.00 |
| **Total** | **500** | **56.11** | **6.67-100.00** | **500** | **60.97** | **6.67-100.00** |
| | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:6.891 Table value: 5% level : 3.014 1% level : 4.648 | | | d.f.:$\nu_1$ 2 $\nu_2$497 Calculated F Value:5.727 Table value: 5% level : 3.014 1% level : 4.648 | | |

The Table 12 shows that, in case of Government and private sector employees, mean preference index is high (63.99) with both liquid and non-liquid nature of investment and is low (54.86) with non-liquid nature of investment. The result of ANOVA shows that there is significant mean difference among the Government and private sector employees in the nature of investment.

## 9. FINDINGS

The mean scores of have been prioritized with safety of money being at the top followed by Tax benefits and regular returns as the focus for the Government employees, and in case of Private sector employees, factors were prioritized with safety of money as the topmost, (which is the same as Government employees) followed by regular returns and long term benefit. It is clear that among both categories of employees safety for money is given the first preference.

ANOVA has been applied to analyze the significant mean preference index between the demographic and socioeconomic factors in respect of preference for investment with reference to Government and private sector employees and the result shows that

- The mean preference scores with respect to criteria of age and its relationship to investment, for Government and private sector employees are within the age group of 30 years. It is clear that both categories of employees belonging to the same age group have high preference for investment. This infers that the young employees within 30 years of age group show high interest for investment.
- Majority (mean 63.88) of the employees of both Government and private sector who are professionally qualified showed high preference towards investment. It reveals that professional qualification had an influence in the employees opting for higher investments. It is infers that the awareness and knowledge about the investments play a role in employees showing preference to invest.
- The relationship between the monthly income of Government employees and their investment was insignificant whereas private sector employees with higher income showed higher preference towards investment. Private sector employees with a monthly income bracket of Rs25,000/- to Rs50,000/- had a high (mean 64.70) preference towards investment. Thereby infer that when income level increases the investment simultaneously increases.
- The savings bracket of Rs7,501/- to Rs15,000/- among the Government employees reveals high preference for investment. The high preference for investment can be then correlated with higher savings bracket.
- The mean preference score for investment was found to be high among Government and private sector employees who are employed in banking sector and chit funds. It definitely draw a correlation that the knowledge of the employees has about finance in general plays a role in their preference to invest.
- The analysis reveals that the period of investment is an insignificant factor associated with investment, amongst the Government employees while it had high influence on the private sector employees, especially among those who invested between 6 and 10 year period. It is inferred from the analysis that Government employees prefer to have both long term and short term investment but private employees mostly prefer long term investment for their safe future.
- It emerged from our analysis that the liquid and non-liquid nature of investment had higher preference among both the Government and private sector employees. It infers the high mean preference score.

## 10. CONCLUSION

The investment choices of the employees are restricted due to fixed salary package and still prefer to invest in financial products which give risk free returns. The employees want less risky investments because they are pleased with low gains but never bear the losses of their savings. Though employees are well educated and earn well they prefer the secured investments because of fear of losses on small income.This substantiate that employees even if they are of high income, well educated, independent are conservative investors prefer to play safe. The study is a reflection of the performance of various categories of employees. Selection of a perfect investment avenue is a difficult task. So an effort is made to identify the preferences of a sample of both Government and Private sector employees selected randomly out of a large population of salaried class. The analysis was successful in identifying some similarities in age, nature of investment, perception on return on investment and level of satisfaction. This study concentrated in identifying the needs of employees of current and future. The employees as investors' preference towards various investment avenues are identified.

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