
“A STUDY ON STOCK MARKET INVESTMENT STRATEGY OF WOMEN EMPLOYEES OF PUBLIC SECTOR UNDERTAKING”.**Zehara Naheed**

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ABSTRACT

This research examines the investing approach of female workers in public sector companies, specifically emphasising their changing societal roles and the difficulties they encounter in the stock market. Notwithstanding the more excellent prospects and financial autonomy, women's involvement in the stock market remains restricted. The study highlights many issues that impede women's participation in stock investing, including financial limits, attitudinal hurdles, family commitments, infrastructural problems, gender stereotypes, and personal restraints. The report also analyses the evolving preferences among government workers, demonstrating a transition towards investing in equities and mutual funds. Furthermore, it explores the disparity in financial planning and investing across genders, emphasizing the specific difficulties experienced by women in the securities market. The studies seek to provide valuable insights to regulators, financial institutions, and academics to improve women's involvement in the stock market.

KEYWORDS: Women Investment, Stock Participation, Gender Disparities, Financial Challenges, Government Employees

INTRODUCTION

The traditional family structure in India has seen women's roles shift from providing financial support to domestic responsibilities to competing with their male counterparts. This shift can be attributed to education quality, government policies prioritising women, and career prospects arising from urbanization, industrialization, liberalization, and globalization. Women have gained economic autonomy and increased participation in finance, politics, and society. A country's economic and social progress is determined by the condition and advancement of its female population, as they make up half of the total population and significantly impact the development of the other half.ⁱ

In India, women have experienced significant transformations over the last several millennia, from equal standing with males in ancient times to declining status during the medieval era and advocating for equal rights by reformers. Today, women can control their happiness, making it crucial to strategize their financial affairs and investments carefully. As society's social structure evolves, people must effectively handle their money and resources to fulfil personal and familial aspirations. This necessitates selecting investment alternatives that align with individual needs and personal inclinations. Due to divergent investing preferences between men and women, financial institutions should target women as a distinct market sector.ⁱⁱ

Despite increased women's engagement across various industries, female stock market presence remains significantly restricted. As more women join the workforce and experience significant shifts in their financial habits, examining women's investing choices is essential. Female non-stock investors strongly desire to enter the stock market shortly, but female stock investors have less interest.ⁱⁱⁱ

The research proposes organizing education and awareness camps, mainly focusing on women, to foster confidence and contentment among women, enhancing their involvement in the stock market. Understanding the financial product preferences of each set of people is crucial, as women and men have different investment preferences due to demographic factors influencing their decisions.

In the realm of data flow control and routing, machine learning algorithms play a pivotal role in optimizing and enhancing decision-making processes. These algorithms analyze vast amounts of data to determine the most efficient routes for data transmission, ensuring seamless communication within networks. Similarly, in the context of stock market investment, the utilization of machine learning can bring about transformative changes.^{iv} For women employees of public sector undertakings, understanding and navigating the complexities of the stock market can be challenging. Here, machine learning algorithms can be applied to analyze historical market data, identify trends, and predict potential investment opportunities. By harnessing the power of data-driven insights, women employees can make informed decisions about their investment strategies.^v

LITERATURE REVIEW

"Warren Buffet Invests Like a Girl" by Lou Ann Lofton discusses Warren Buffet's investing strategy, characterized by careful planning, thorough research, purchasing undervalued assets, and maintaining long-term holdings. However, women need to be aware of some drawbacks, such as the opportunity cost of missed chances or the potential for inadequate risk-taking.^{vi}

Women's primary financial hindrances in the stock market include insufficient financial control, limited disposable income, other financial obligations, prioritizing saving for future uncertainties over tying up money in the stock market, and lack of capital. These financial challenges are primarily attributed to financial constraints.

Attitudinal constraints, on the other hand, account for 13.746% of the overall variability, with five statements: disinterest in money things, wariness of using computers because of security worries, aversion to taking risks, skepticism of financial experts, and unwillingness to engage with males while doing stock market transactions are all factors.^{vii}

Family obligations contribute to 10.629 per cent of the overall variability, with three elements: avoiding extra work due to family obligations, difficulty investing in the stock market due to family restrictions, and lack of time. Infrastructural problems account for 9.899% of the overall variance, with three propositions: the absence of readily assimilable information, the inefficiency of the grievances handling system, and the complicated procedures and formalities of the stock market.^{viii}

Gender stereotypes contribute to 9.583% of the overall variation, with three variables serving as roadblocks to women investing: due to brokers' inability to provide, the male-dominated nature of the stock market, and insufficient support from society due to sociocultural attitudes.^{ix}

Personal constraints account for 8.378 per cent of the total variance, with three statements: lacking adequate technical knowledge required for stock market investments, struggling to make independent investment decisions, and facing difficulties communicating with financial professionals due to their language and style.^x

In conclusion, while women have various advantages from their investing approach, they face challenges due to financial constraints, family obligations, physical structures, gender stereotypes, and personal constraints.^{xi}

RESEARCH METHODOLOGY

A comprehensive examination of the current empirical literature has been carried out for this research. The review included articles from many internet databases and search engines, including Science Direct, the SSRN, the NBER, and Google Scholar. Furthermore, a range of literature pertaining to the subject matter was also examined. Research was conducted to investigate women's attitudes and behaviours about the stock market. As a result, a thorough literature review was done to ascertain the challenges faced by women investors and provide solutions to encourage more women to participate in the stock market. Critical factors such as objectives, study methodology, sample size, respondents, and difficulties women face while investing in the stock market have been used to assess the studies.

GOVT, PSU EMPLOYEES PREFER INVESTMENT IN STOCKS

According to a poll, many government workers, who previously favored safe and conventional investment alternatives like fixed deposits, are now finding mutual funds and stocks appealing investment instruments. Of the 510 workers questioned by Assocham, an industry association, 58 per cent preferred putting their money in shares and mutual fund schemes. They believed that these investment options offered greater returns within a 2-3-year period.^{xii}

According to the chamber, government personnel are motivated to invest in equities primarily due to their convenient access to competent consulting services. The government's significant investments in stocks and infrastructures have drawn government staff, who increasingly choose the capital market over traditional investment channels including post offices, financial institutions, and state-promoted fixed deposit schemes.

"Notwithstanding the stock market volatility, government employees are prepared to assume the risk." According to Assocham Secretary General D. S. Rawat, their current emphasis is investing in stock markets instead of conventional vehicles like post offices, banks, and PPFs.^{xiii}

According to Assocham, the equity-linked mutual fund scheme, infrastructural mutual fund, and SIP are all gaining popularity among government employees. Three-sevenths of those polled said they invested in growth funds because they expected them to outperform other kinds of mutual funds.^{xiv}

The poll revealed that most workers reported receiving returns ranging from 10 to 20 per cent on mutual funds. Approximately 42% of the participants expressed a strong interest in investing in shares of infrastructure, real estate, IT, and auto firms due to the attractive and quick returns they provide. Nevertheless, 32% of the polled workers preferred conventional investing methods due to their perceived guarantee of secure returns.^{xv}

PSUs in India may be able to participate in follow-on public offerings by their firms if the government wins a green light from market regulator Sebi, raising the upper maximum for IPOs to Rs 5 lakh. PSU employees going the offer-for-sale (OFS) route would not be subject to any investment cap if Sebi agrees to the request from the Finance Ministry. However, the maximum investment amount for an IPO is proposed to be raised from Rs 2 lakh to Rs 5 lakh, as employee involvement has remained low despite previous incentives. The government has set a disinvestment goal for the current fiscal year of “Rs 56,500 crore, which includes the anticipated revenue of Rs 36,000 crore from the sale of minority stakes in PSUs and Rs 20,500 crore from strategic sales.” The sale of the government's 11.36 per cent interest in NHPC began the disinvestment strategy for the current fiscal year, resulting in Rs 2,700,000 for the government.^{xvi} “Coal India, NMDC, MOIL, MMTTC, and Bharat Electronics” are just a few of the 15 publicly traded businesses that will see a government-led stock sale this fiscal year. Last week, the Cabinet authorized a strategic sale of loss-making shares in Bharat Pumps and Compressors Limited, making it the 12th time a state-owned business has been sold in this way.^{xvii}

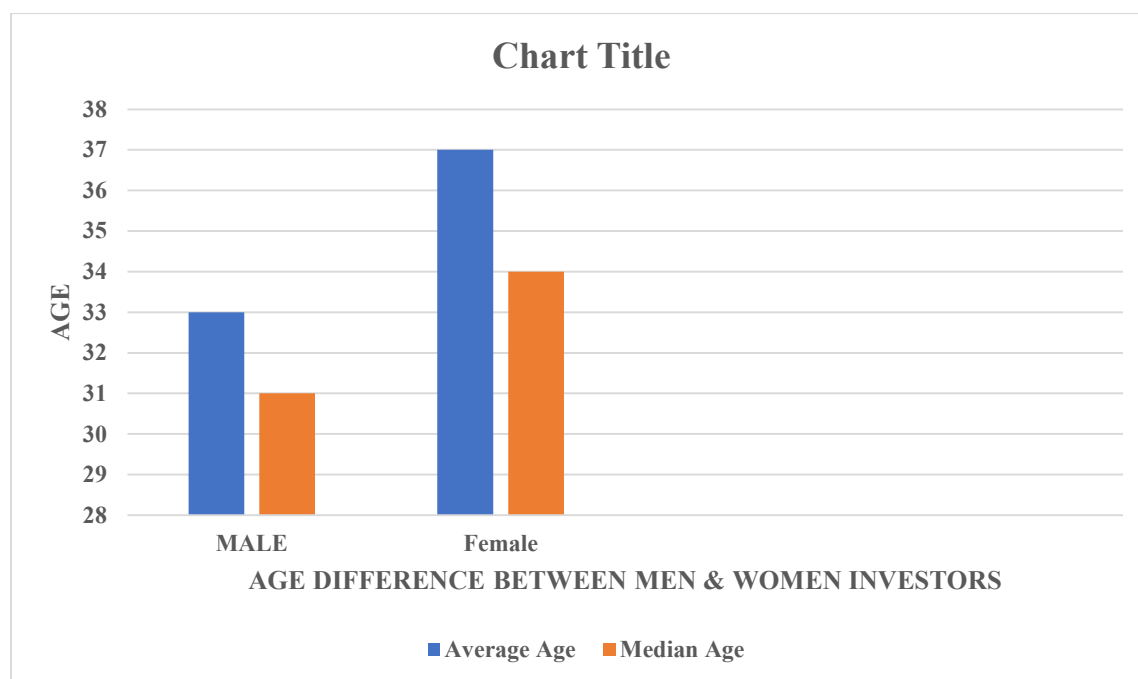
A STUDY ON THE CONTRIBUTION OF WOMEN IN INDIAN STOCK MARKET AS TRADERS

There has been a dramatic increase in the number of women working in business and finance over the last several decades. The modern lady has a stable job and an extensive knowledge of business and money. These days, women aren't simply sitting on corporate boards or serving as CEOs; they're also actively investing in businesses. When women gain more prominence in the business sector, it is essential to acknowledge that women investors have certain obstacles when they enter the securities market. These disadvantages mainly stem from gender-related or sex-based disparities. Women encounter discriminatory behaviours while attempting to enter certain professions, particularly those that are primarily male.

Women are underrepresented in the stock market, in part because they lack the knowledge necessary to invest successfully. In contemporary society, women have achieved financial autonomy. Women engage in investment activities by carefully assessing investment risk, familial and peer influence, and the opportunity to engage in contemporary and creative investment opportunities. Regarding financial planning by women, it is evident that we have yet to reach financial gender parity.

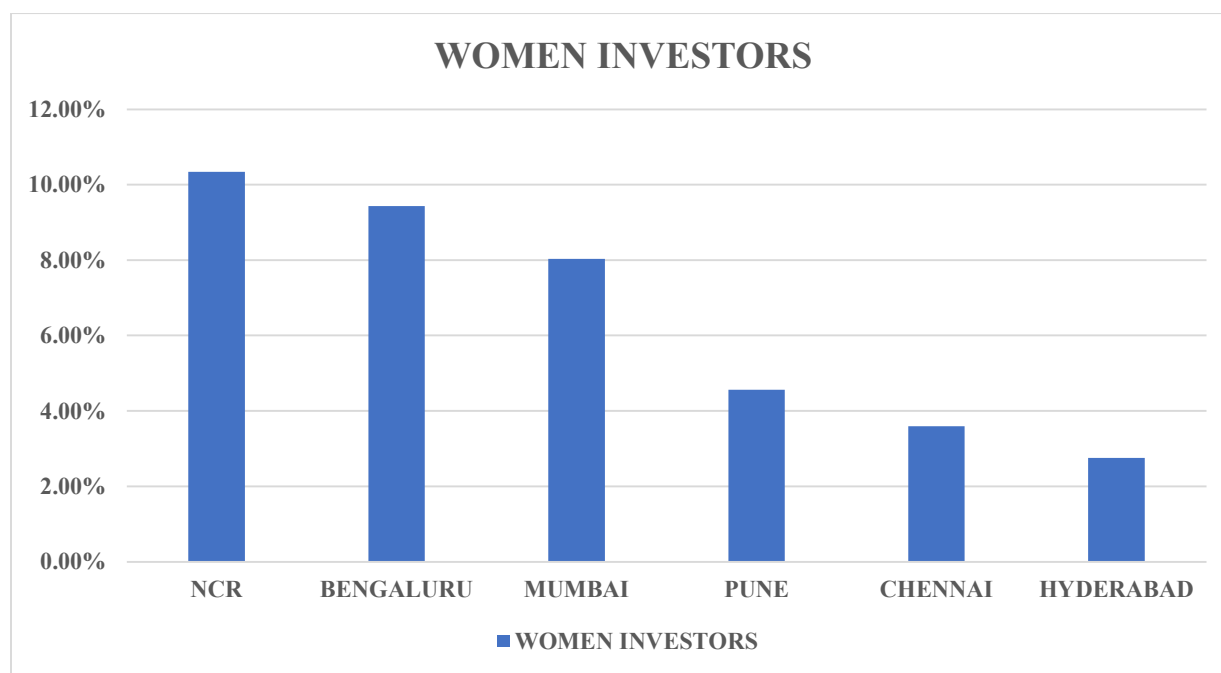
In India, just one out of every five investors are a woman, according to data compiled by Kuvera, an online asset management company.^{xviii}

When compared to males, women are far less likely to take charge of their own finances. However, there is one area in which women much outperform males. Women are over 50% more likely than males to make concrete plans for their silver wedding anniversary, according to the study. Men, without a doubt, need to make more of an effort. When it comes to saving money, women are more focused on long-term goals like retirement, homeownership, and their children's education.^{xix}

Figure 1: AGE DIFFERENCE BETWEEN MEN & WOMEN INVESTORS

Source: <https://kuvera.in/>

It is encouraging to see that many women come from locations other than the six major metropolitan centres. According to the research, more than 60 per cent of female investors are from India, going beyond what is mentioned in the news. NCR is at the forefront, with Bengaluru and Mumbai following closely after. Pune ranked fourth. Women have a median age of 34, while males have a typical age of 31. Upon analysing the average age of investors based on gender, we saw that women had an average age of 37, while males had an average age of 33. Despite the prevalent discussions around equal opportunity, diversity in hiring, and inclusivity, there is a noticeable and ongoing disparity in gender wages. Women often need a more extended period to reach the age at which they may begin investing.

Figure 2: WOMEN INVESTORS IN DIFFERENT METRO CITIES

Source: <https://kuvera.in/>

Nearly 30% of women reported actively seeking financial education during the epidemic, according to a poll by Scripbox, a digital wealth management company. 30% of individuals use digital investment platforms as their primary source of knowledge for financial planning and investing, 20% rely on advice from friends and family, and 15% consult publications on personal finance.

Currently, 70 per cent of women (compared to 60 per cent in 2021) have reported that they are either autonomously handling their finances or actively participating in making financial decisions with their husbands. There has been an 11 per cent increase in the proportion of women now autonomously handling their costs compared to last year's poll.

Furthermore, 20% of women started their first investments during the pandemic. According to the report, 22 per cent of women prefer investing in mutual funds, making it the most favoured investment option. Shares and gold are the subsequent choices. 34% of women allocate their funds to a diversified portfolio of conventional investment vehicles such as fixed deposits, recurring deposits, PPF, and savings accounts.^{xx}

SAMPLE CHARACTERISTICS

The demographic profile of the respondents in the sample was diverse, including individuals from various economic and professional backgrounds. The demographic profile of the respondents included in the sample is shown in Table 1.

Table 1: Demographic Profile of Respondents

Demographic Variables	No. of Respondents (%)	
“Age (Yrs)	Less than 30	191(47.8)
	30-40	139(34.8)
	40-50	47(11.8)
	50-60	19(4.8)
	Above 60	4(1.0)
	Total	400 (100)
Marital Status	Married	271(67.8)
	Single	116 (29.0)
	Divorcee	9(2.3)
	Widow	4(1.0)
	Total	400 (100)
Education Level	Matriculation	5(1.3)
	Under Graduation	7(1.8)
	Graduation	129(32.3)
	Post Graduation	255(63.8)
	Any other	4(1.0)
	Total	400(100)
Occupation	Businesswoman/Self-employed	109(27.3)
	Professional	84(21.0)
	Service	207(51.8)
	Total	400(100)
Personal Monthly Income (Rs.)	Less than 40000	173(43.3)
	40000-60000	111(27.8)
	60000-80000	47 (11.8)”
	More than Rs 80000	69 (17.3)
	Total	400 (100)

According to the information in the table, 47.8% of the participants were under 30, while 34.8% belonged to the age group of 30–40 years. The next group of respondents comprised people between the ages of 40 and 50, and their responses comprised 11.8% of the total. 4.8% of respondents were between 50 and 60; however, only 1% of the sample comprised respondents above 60. In terms of the participants' marital status, the sample included 67.8% of married people, representing a majority of the participants. In the meantime, 29% did not have a partner, 2.3%

were divorced, and the remaining 1% had lost a spouse. In terms of the respondents' places of employment, the table shows that most respondents work in the service industry (51.8%), followed by businesswomen and self-employed women (27.3%). Women in professional occupations made up 21% of the total sample. Homemakers were excluded from the sample since the women who participated in the survey worked outside the home.

In addition, the average level of education held by members of the population included in the sample is shown in Table 1. According to the study, 63.8% of the participants had a postgraduate degree, while 32.3% held a bachelor's degree. 1.8% of the respondents were undergraduate students, 1.3% with a matriculation degree and just 1% with a doctoral degree. The percentage of respondents with a doctorate was the lowest. After dividing the participants into income groups, it was determined that 43.3% of them earned less than Rs. 40000 per month, while 27.8% fell between the Rs. 40000-60000 bracket. Only 11.8% of the persons who did the poll had an annual income of 60,000-80,000 rupees, while 17.3% of the women who responded the survey were in the group with an annual income of more than 80,000 rupees.^{xxi}

CONCLUSION

The research highlights a significant transformation in the involvement of female workers in public sector operations, demonstrating their progression from conventional household responsibilities to active engagement in financial, political, and social domains. However, the study indicates that women have a low level of involvement in the stock market due to several obstacles, including financial limitations, negative attitudes, family responsibilities, infrastructure difficulties, gender biases, and personal limitations.

The literature study presents an intriguing viewpoint that compares Warren Buffett's investing method to a conventional female strategy. This approach prioritizes long-term planning and value-based investments while recognizing the possible difficulties associated with asset allocation.

The poll among government workers reveals a shifting inclination towards equities and mutual funds, signifying a deviation from traditional risk-averse alternatives. The availability of advisory services and sizable investments in infrastructure and stocks have facilitated this change.

An analysis of women's involvement in the Indian stock market as traders reveal a disparity in financial planning and investment across genders. Women have specific challenges, such as discriminatory behaviours and restricted access to investing information. Notwithstanding these obstacles, there is a favourable pattern, with a growing proportion of women proactively overseeing their funds and making investment choices.

The respondents' demographic profile offers vital information about their age, marital status, education level, employment, and monthly income.

The research highlights the need to overcome obstacles that impede women's involvement in the stock market. Suggested measures include customized educational initiatives and awareness campaigns targeting female investors to foster trust and contentment. The results provide helpful information for politicians, financial organizations, and academics striving to increase women's participation in the stock market.

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