

**A STUDY ON THE SAVINGS PATTERN OF THE EMPLOYEES WORKING IN LUCKY  
KNITTING MILLS TIRUPUR**

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**ABSTRACT**

As our car bounced along the narrow pot-holed road to Tirupur, a sign Welcome to Banian City greeted us. Banian is the local name for the white vests used mostly by men in India. This sign described what was in store for us in Tirupur. There does not seem to be any activity in the town that is not directly or indirectly connected with the manufacture and sale of banians and T-shirts. Descriptive research will be conducted in this study to make the research effective and useful to the needy. Both the primary and secondary data was collected in this research work. 100 respondents were selected at random using convenient sampling techniques. The sample respondents consist of both male and female workers and employees in the Knitting industries of Tirupur. The study concluded that there is a lot of problems of the employees in Tirupur as well as of the workers engaged in the industry and until and unless these problems are solved, the overall improvement of the industry as well as the workers' living conditions cannot be achieved. So for the overall development of employees and textiles industries, it is required a wholehearted support with proper encouragement from both the State and Central Government.

**Key words** : Savings pattern, Knitting mills, investments, knitting employees.

**INTRODUCTION**

As our car bounced along the narrow pot-holed road to Tirupur, a sign Welcome to Banian City greeted us. Banian is the local name for the white vests used mostly by men in India. This sign described what was in store for us in Tirupur. There does not seem to be any activity in the town that is not directly or indirectly connected with the manufacture and sale of banians and T-shirts. The whole world appeared to have discovered Tirupur in the early nineties. The success story of Tirupur, the new boom town, had spread all over. Suddenly many international agencies began to take notice of this little town in the state of Tamil Nadu in the south of India. We had decided to conduct an Industrial Ecology study in Tirupur. The purpose of the study was to see how to apply the concepts of Industrial Ecology in a developing country, where the pattern of industrialization was vastly different from that of a developed country. As we first drove into the town, we wondered what made this place such a success story. The narrow streets were crowded and hardly well laid. There were open drains running along the sides of the roads, carrying filthy, colored water. An assortment of vehicles, trucks, hand carts and bullock carts with their assorted loads of cargo, clogged the streets. Smoldering garbage was dumped on both sides of the road and the stench was hardly bearable. Through one such narrow street we approached our first point of call, which was the Tirupur Exporters' Association (TEA). The moment we entered the building of TEA, we started to notice the efficiency which makes Tirupur successful. Professional, well-trained staff mans the plush office. The building itself has all the facilities that an exporter would require, including a well-equipped conference room. When we met the secretary, he told us straight away that dozens of such studies had been conducted by various agencies and he did not see any point in further studies being carried out. Many national and international agencies had been conducting studies on waste minimization technologies. Other than this, Tirupur had been the subject of many technical and socio-economic studies in the past. However, since we were very keen on going ahead with the study, he offered all assistance. Through TEA, we were introduced to many of the leading industrialists in Tirupur, who had been witness to the phenomenal growth of the town.

If we consider the income source to the normal public, the employees have more sources for income generation apart from their salary. As it is newly constituted District from Coimbatore and

also having more number of export businesses There are many business units starting from fabrication to packing of manufactured knitted garment material. There are number of processes involved to make finished goods from the raw material cotton like, spinning, ginning, weaving, spinning/ weaving , fabrication, dyeing and bleaching, compacting, streaming, printing and also manufacturing different knitted garments frequently used by all the human being irrespective of the age and tastes of the individual. The employees are scattered in all parts of the district.. The cost of living in Tirupur is very normal when it is compared with other developed cities in Tamilnadu as well as in other states.. Most of the employees do not prepare to invest their savings in Tirupur itself. They used to invest their savings only in their income only in the native places. Some of them invest their money in the local itself by way of joining in the chit conducted by the neighbours or reputed people in the area where they stay in Tirupur. Few of them invest their money only in bank as they have more fears and do not trust the people who run chit-funds.

It is reported that many of the employees in textile related industries lost their money in various unwanted expenditure as they do not have awareness of proper area for investment. Some of the employees they lost their money as they could not collect the amount given for interest from the borrowers in Local area and also in their native places. In reality the employees of knitted garment industries and related works in Tirupur district are in trouble to choose the right area for the investment as most of the employees have lack of awareness of various area of investment. It is the need of the hour to take necessary initiatives by the government and NGOs to make awareness to the workers and employees in knitted garment industries, Tirupur district about savings pattern to generate income from their savings. By keeping the above views in mind the researcher selected the topic “A STUDY ON THE SAVINGS PATTERN OF EMPLOYEES IN LUCKY KNITTING MILLS TIRUPUR”

### **STATEMENT OF THE PROBLEM**

The employees in knitted garment industries in various processes of manufacturing hesitate to save their money in Tirupur district, whatever may be the return from the investment they do not bother about it. Instead they invest their money in the village either in the form of fixed assets or in some other area of investment where there is possibility of loss to their savings. Though there are many sources to invest the money with safe, the employees in textiles industries in Tirupur district due to lack of awareness keep their money in their home itself ,which will be utilized by them in future without any restriction. Under such circumstances the purpose of saving is not served. They could not generate income from their savings. In many occasions the amount saved by the young employees is spent lavishly in non productive areas and also in bad ways. This creates problems in their family which leads to part with from the spouse. Further in future they could not meet the emergency requirement as they spend the saved amount without any reasons. Above all due to various reasons nowadays in Tirupur District all the employees in textiles related works are in a position to increase the expenditure due to the necessity and increased cost of living.. If there is no saving they have to borrow from others at higher rate of interest for meeting the day to day expenditure of their family. So it is the serious issue which is to be taken care of the savings pattern followed by the employees of knitted garment industries in Tirupur District to make awareness to all the employees in all processes of manufacturing of Knitted garment materials about various sources of investment and the rate of return from the individual area of investment.

### **SIGNIFICANCE OF THE STUDY**

Every one of us is in a position to save some amount for meeting the emergency requirement in future and also to use the same in the retirement stage. Further for settling their wards in a better position we need wealth and assets. So nowadays all of us try to save the remaining amount after making expenditures for our day to day requirement. Whenever we save or invest the balance it must be invested in the area where we get more rate of return from the investment. In the same time we should consider the risk in getting the amount invested as saving. So we must save or invest in the

field or area where we can get our money without any delay or risk. The rate of return for our investment also should be reasonable. So before making a decision for investment or saving we should consider all the factors and problems in the alternatives available for investment or savings.

At present even the educated people and the government employees are in confusion to choose particular field or area to invest their savings. Due to lack of awareness and no idea about the area of investment. It paved way to them to keep the money with them till it is required in future. If the money is not circulated properly there is no value at all. The employees of Knitted Garment industries in Tirupur district must be made aware of various areas of investment and the possible return from the particular area of investment. For this a thorough knowledge should be needed to all of us. Then only we can make awareness to the unknown and innocent employees who are working knitted garment industries through the authorities concerned. Hence a study on the savings pattern of the employees of knitted garment industries in Tirupur District is inevitable. It is the right time to have a study on the savings pattern and to safeguard the employees and working in knitted garment industries from spending their amount lavishly and invest the amount saved in the right sources where they can reasonable income or return for the investment and collect the amount invested without any risk when and where it is required.

### **OBJECTIVES OF THE STUDY**

The following are the objectives of the study

1. To analyze the existing savings pattern followed by the employees working in The Lucky Knitting Mills.
2. To measure and evaluate the return and risk from the investment.
3. To find out the problems faced by the employees and working in The Lucky Knitting Mills when they decide to invest their savings.
4. To find remedial measures to solve the problems faced by the employees working The Lucky Knitting Mills while they invest their money.
5. To offer recommendations to the authorities concerned to do needful to create awareness to the employees and working in The Lucky Knitting Mills about savings pattern and safeguard their investment.

### **RESEARCH METHODOLOGY**

#### **Research Design**

Descriptive research will be conducted in this study to make the research effective and useful to the needy.

#### **Collection Of Data**

Both the primary and secondary data was collected in this research work.

#### **Primary Data**

Primary data will be collected from the sample respondents from the population by way preparing a questionnaire. The questionnaire will be prepared with the guidance of the experts in the relevant field. Necessary corrections will be made in the questionnaire to complete the research work successfully. A pilot will also be conducted to verify the questionnaire is useful for the successful completion of the project.

#### **Secondary Data**

Secondary data will be collected from the journals and magazine published in the related topics.

#### **Sample Selection**

There are about 400 employees working in various category in The Lucky knitting mills, Out of the total population 25 per cent of the respondents i.e. 100 respondents were selected at random using convenient sampling techniques. The sample respondents consist of both male and female workers and employees in the Lucky Knitting industries of Tirupur.

#### **Study Period**

The study period for the research work covers 2 month period starting from 21-04-2022 to 20-06-2022

### **Statistical Tools**

The collected data was analyzed and interpreted properly to find the result of the research work. Further to know the association between two variables in deciding the particular issues statistical tools like simple Percentage, chi-square, rank correlation,

### **LIMITATION OF THE STUDY**

- The data was collected from the employees The Lucky Knitting Mills in Tirupur. So the findings of the study may not be considered for other employees in Tirupur
- We could not expect full co-operation from the respondents at the time of questionnaire or interview schedule. So the findings may be based on the information given by the respondents. There may be possibility for bias in the information provided by the respondents.
- The survey was conducted only with the employees and working in The Lucky Knitting Mills in Tirupur. Hence the result may not be generalized for all the other companies in Tirupur

### **REVIEW OF LITERATURE**

Grewal S.S and Navjot Grewal (1984) revealed some basic investment rules and rules for selling shares. They warned the investors not to buy unlisted shares, as Stock Exchanges do not permit trading in unlisted shares. Another rule that they specify is not to buy inactive shares, ie, shares in which transactions take place rarely. The main reason why shares are inactive is because there are no buyers for them. They are mostly shares of companies, which are not doing well. A third rule according to them is not to buy shares in closely-held companies because these shares tend to be less active than those of widely held ones since they have a fewer number of shareholders. They caution not to hold the shares for a long period, expecting a high price, but to sell whenever one earns a reasonable reward.

Jack Clark Francis (1986) revealed the importance of the rate of return in investments and reviewed the possibility of default and bankruptcy risk. He opined that in an uncertain world, investors cannot predict exactly what rate of return an investment will yield. However he suggested that the investors can formulate a probability distribution of the possible rates of return. He also opined that an investor who purchases corporate securities must face the possibility of default and bankruptcy by the issuer. Financial analysts can foresee bankruptcy. He disclosed some easily observable warnings of a firm's failure, which could be noticed by the investors to avoid such a risk.

Preethi Singh (1986) disclosed the basic rules for selecting the company to invest in. She opined that understanding and measuring return and risk is fundamental to the investment process. According to her, most investors are 'risk averse'. To have a higher return the investor has to face greater risks. She concludes that risk is fundamental to the process of investment. Every investor should have an understanding of the various pitfalls of investments. The investor should carefully analyse the financial statements with special reference to solvency, profitability, EPS, and efficiency of the company.

### **ANALYSIS AND INTERPRETATION OF DATA**

**Table No. 1 : TABLE SHOWING THE GENDER OF THE RESPONDENTS**

<b>S. NO</b>	<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
1	Male	63	63.0
2	Female	37	37.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

**Interpretation**

The above table shows that among 100 respondents 63 per cent of the respondents are male while the remaining 37 per cent of the respondents are female.

**Table No.2 : TABLE SHOWING THE MARITAL STATUS OF THE RESPONDENTS**

S.No	Marital status	Frequency	Percentage
1	Married	65	65.0
2	Unmarried	18	18.0
3	Widow	9	9.0
4	Divorce	8	8.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data

**Interpretation**

A survey was launched to know the marital status of the respondents. The survey reveals that among 100 respondents 65 per cent of the respondents are married, 18 per cent of the respondents are unmarried, 9 per cent of the respondents are widow while the remaining 8 per cent of the respondents divorced from their spouse.

**Table No. 3 : TABLE SHOWING THE AGE GROUP OF THE RESPONDENTS**

S.No	Age	Frequency	Percentage
1	18-25 years	49	49.0
2	26-35 years	30	30.0
3	36-45 years	13	13.0
4	Above 45 years	8	8.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data

**Interpretation**

The table limelight that among 100 respondents 49 per cent of the respondents belong to the age group of 18-25 years, 30 per cent of the respondents are in the group of 26-35 years, 13 per cent of the respondents are between 36 to 45 years and the remaining 8 per cent of the respondents belong to the age group of above 45 years

**Table No. 4 : TABLE SHOWING THE EDUCATIONAL QUALIFICATION OF THE RESPONDENTS**

S.No	Educational Status	Frequency	Percentage
1	Up to 8th std	12	12.0
2	Upto 10th std	42	42.0
3	Upto 12th std	28	28.0
4	Degree	9	9.0
5	Diploma	9	9.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

**Source: Primary data**

**Interpretation**

The above table shows that among 100 respondents 42 per cent of the respondents studied up to 10<sup>th</sup> std, 28 per cent of the respondents studied up to 12<sup>th</sup> std, 12 per cent of the respondents studied up to 8<sup>th</sup> std only while 9 per cent of the respondents have studied degree and diploma courses.

**Table No. 5 : TABLE SHOWING THE OCCUPATION OF THE RESPONDENTS**

S.No	Occupation	Frequency	Percentage
1	Dyeing	6	6.0
2	Fabrication	9	9.0
3	Labour	19	19.0
4	Housewife	28	28.0
5	Compacting	19	19.0
6	Checking	7	7.0
7	Tailoring	12	12.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

**Source: Primary data**

**Interpretation**

The above table shows that among 100 respondents 28 per cent of the respondents are house wives, 19 per cent of the respondents are involved in labour and compacting works respectively, 12 per cent of the respondents are tailors, 9 per cent of the respondents are engaged in fabrication work, 7 per cent of the respondents involved in checking of textile materials while the remaining 6 per cent of the respondents involved in dyeing work

**Table No. 6 : TABLE SHOWING THE OCCUPATION OF THE RESPONDENTS**

S.No	Occupation	Frequency	Percentage
1	Dyeing	6	6.0
2	Fabrication	9	9.0
3	Labour	19	19.0
4	Housewife	28	28.0
5	Compacting	19	19.0
6	Checking	7	7.0
7	Tailoring	12	12.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

**Source: Primary data**

**Interpretation**

The above table shows that among 100 respondents 28 per cent of the respondents are house wives, 19 per cent of the respondents are involved in labour and compacting works respectively, 12 per cent of the respondents are tailors, 9 per cent of the respondents are engaged in fabrication work, 7 per cent of the respondents involved in checking of textile materials while the remaining 6 per cent of the respondents involved in dyeing work

**Table No. 7 : TABLE SHOWING THE OPINION REGARDING THE SAVINGS OF THE RESPONDENTS**

S.No	Amount saved from earning	Frequency	Percentage
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1	Less than 100000	56	56.0
2	Rs.100000 -200000	28	28.0
3	Rs.200000-300000	12	12.0
4	More than Rs.300000	4	4.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

**Source: Primary data****Interpretation**

From the table we came to know that among 100 respondents 56 per cent of the respondents save Less than Rs.100000 per annum, 28 per cent of the respondents save Rs.100000 -200000 per annum, 12 per cent of the respondents save Rs.200000-300000 per annum and the remaining 4 per cent of the respondents save more than Rs.300000 per annum.

**Table No. 8 : TABLE SHOWING THE FACTORS TO BE CONSIDERED WHILE INVESTING**

S.No	Factors to be considered	Frequency	Percentage
1	Risk	46	46.0
2	Income	23	23.0
3	Volume of savings	12	12.0
4	Growth rate	8	8.0
5	NAV	4	4.0
6	Profitability	7	7.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

**Source: Primary data****Interpretation**

The above table shows that 46 per cent of the respondents told that risk is considered mainly before investing or saving, 23 per cent of the respondents conveyed that income is considered before investing, 12 per cent of the respondents told that volume of savings is considered while investing, 8 per cent of the respondents told that growth rate is considered at the of savings, 7 per cent of the respondents told that profitability is considered while investing their money remaining 4 per cent of the respondents told that NAV is considered while investing the money.

**Table No. 9 : TABLE SHOWING THE SATISFACTION LEVEL REGARDING SAVINGS**

S.No	Satisfaction Level	Frequency	Percentage
1	Highly satisfied	13	13.0
2	Satisfied	59	59.0
3	Partly satisfied	10	10.0
4	Dissatisfied	12	12.0
5	Highly dissatisfied	6	6.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

**Source: Primary data****Interpretation**

The above table lime lights that among 100 respondents 59 per cent of the respondents are satisfied with the savings, 13 per cent of the respondents are highly satisfied with the savings and 12 per cent of the respondents are dissatisfied with the savings and 10 per cent of the respondents are

partly satisfied with the savings and 6 per cent of the respondents are highly dissatisfied with overall development

**Table No.10 : TABLE SHOWING THE ASSOCIATION BETWEEN AGE AND OPINION ABOUT THE FACTORS TO BE CONSIDERED WHILE INVESTING**

Age group	Factors to be considered while investing						Total
	Income	Volume of savings	Growth rate	AV	Profitability		
18-25 years	23	10	7	4	2	3	49
26-35 years	15	7	2	3	1	2	30
36-45 years	3	5	1	1	1	2	13
Above 45 years	5	1	2	0	0	0	8
Total	46	23	12	8	4	7	100

### Null Hypothesis

There is no association between the respondents based on the age and their opinion regarding the factors to be considered while investing the money

### Alternative Hypothesis

There is an association between the respondents based on the age and their opinion regarding the factors to be considered while investing the money

Factors	Calculated value	D.O.F	Table Value	Remark
Factors to be considered	9.718	15	24.996	Not significant

As the calculated chi-square value is smaller than the table value for 15 degrees of freedom at 5 per cent level of significance, The null hypothesis is accepted and concluded that there is no association between the respondents based on age and their opinion about the factors to be considered before the investment.

### FINDINGS

- Most (63 per cent) of the respondents are male
- Majority (43 per cent) of the respondents speak Tamil as mother tongue
- Major proportions (65 per cent) of the respondents are married
- Most (49 per cent) of the respondents belong to the age group of 18-25 years
- Majority (68 per cent) of the respondents follow Hindu religion,
- Most (50 per cent) of the respondents belong to backward community
- Majority (46 per cent) of the respondents are from urban area
- Most (42 per cent) of the respondents studied up to 10<sup>th</sup> std,
- Most (42 per cent) of the respondents have 3 members in the family,
- Most (49 per cent) of the respondents have only one earning member in the family
- Most (28 per cent) of the respondents are house wives, 19 per cent of the respondents are involved in labour and compacting works respectively

- Majority(36 per cent) of the respondents are labour
- Most (64 per cent) of the respondents are earning less than Rs.100000 in the year
- Majority (80 per cent) of the respondents have the practice of savings
- Most (56 per cent) of the respondents save Less than Rs.100000 per annum
- Majority (46 per cent) of the respondents told that risk is considered mainly before saving or investment
- Most (44 per cent) of the respondents told that they invest the money for their future purpose
- Most (48 per cent) of the respondents told that they get 10-20 per cent return from the savings,
- Most (75 per cent) of the respondents say that the government gives instructions about the savings avenues
- Majority(74 per cent) of the respondents say that the NGOs arrange awareness programme about the savings avenues
- Most (56 per cent) of the respondents are satisfied with the earning from the savings,
- Most (54 per cent) of the respondents are satisfied with the maintenance of funds
- Most (52 per cent) of the respondents are satisfied with the self development,
- Most (50 per cent) of the respondents are satisfied with the technical knowhow about the savings
- Majority (54 per cent) of the respondents are satisfied with the relationship with the brokers
- Majority (49 per cent) of the respondents are satisfied with the social status
- Majority (50 per cent) of the respondents are satisfied with the support given by the family members
- Most (59 per cent) of the respondents are satisfied with the savings,
- Majority (60 per cent) of the respondents are satisfied with overall development
- Most (25 per cent) of the respondents told that risk due to fluctuation is the main problem faced by them,

#### **Findings From Chi-Square Test**

- There is no association between the respondents based on the age and their opinion regarding the factors to be considered while investing or saving the money
- There is no association between the respondents based on the age and their opinion regarding the return from the savings
- There is an association between the respondents based on the age and their opinion regarding the instructions from the government regarding the savings avenues
- 1.11 SUGGESTIONS
- Few of the respondents are not satisfied with the awareness programme arranged by the government and NGOs regarding the avenues for savings or investment. So government should arrange some more awareness programme through media or any other mode to reach the public.
- Some of the respondents informed that they face problems from the brokers or agents at the time of explaining about the schemes, it should be monitored by the authorities concerned.
- Some of the respondents informed that there are more risk in investing the amount in certain avenues. Hence the return from the savings must be assured to the investors that will avoid the fear of the respondents in the study area.
- Some of the respondents are not satisfied with the social status. Hence the government should take initiatives to increase the income level of the employees in textiles units which will help them to get some sort of social status.

#### **CONCLUSION**

This industry generates a number of employment opportunities. Further, the industry contributes a lot of revenues to the government exchequer. We found that most of the workers

engaged in power loom and textile industries in Tirupur are illiterate in the sense that they have no idea about the various provisions of the investment schemes and savings pattern. Many of the workers engaged in the industry are migrated from various parts of Tamilnadu and also from other states and due to their poor economic background they are mostly satisfied by their meager earnings and they do not want to go in direct confrontation with the management. Almost all the textiles units used in this sector are less productive nowadays due to power cut and also the pollution issues, and consequently, the workers have become victims of meager earnings as they are paid on piece rate system i.e. on actual production. Besides, low productivity due to lack of automatic machine, shortage of finances, tax structures and poor organizational efficiencies are identified as other problems. The employees in Tirupur at present could not be able to save or invest their money because of low income due to the limited employment opportunities in Tirupur. So we found that there is a lot of problems of the employees in Tirupur as well as of the workers engaged in the industry and until and unless these problems are solved, the overall improvement of the industry as well as the workers' living conditions cannot be achieved. So for the overall development of employees and textiles industries, it is required a wholehearted support with proper encouragement from both the State and Central Government.

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