A STUDY ON PURPOSE OF PROVIDING FINANCIAL SECURITY AND STABILITY OF EMBLOYEES PROVIDENT FUND IN PUBLIC SECTOR

[1]Dr.S.P.Dhandayuthapani, [2]C.M. Aravinth

[1]*Assisstant Professor, Department of Management Studies, Anna University, Trichy*
[2]*MBA student, Department of Management Studies, Anna University, Trichy*

ABSTRACT

The purpose of a provident fund is to supply money security and stability to aged folks on retirement. once one begins employment, they're expected to contribute on a frequently basis (typically monthly) to their PF fund. The leader is additionally expected to contribute to its staff pension. This paper describes the concept of EPF savings and how it is helpful to people to decide and invest their savings wisely.

Keywords: *Provident Fund, Financial security, financial stability.*

1. INTRODUCTION

The Employees' Provident Fund (EPF) is a savings tool for the workforce. It is a scheme managed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, by the Employees' Provident Fund Organisation (EPFO). Under the EPF scheme, an employee has to pay a certain percentage from his pay and an equal amount is contributed by the employer. The employee gets a lump sum amount (which includes his own and employer's contributions) with interest upon retirement or two months after switching jobs. Employee contribution is at least 12 per cent of your salary, including basic, dearness allowance (including cash value of any food concession) and retention allowance. House rent allowance, overtime, bonus and commission are excluded.

2. REVIEW OF LITERATURE

Davis, E. P.,(1998) Coping with the ageing of the population while not major economic disruption is beyond question one among the most important challenges facing the worldwide economy and world monetary markets each currently and for the approaching decades. during this context, this book assesses the most important economic problems raised by activity pension funds, as they need arisen in twelve OECD countries---the US, the UK, Germany, Japan, France,

Italy, Canada, Australia, Denmark, Sweden, Swiss Confederation and also the Kingdom of The Netherlands, in addition as in Chile and Singapore. explicit stress is placed on the performance of funds in monetary markets, the influence on funds of commercial enterprise and restrictive conditions, and also the consequences of funds' development for capital markets, finance and international investment. the link with social insurance, the comparativ benefits of outlined profit and outlined contribution funds and also the role of funds in developing countries also are examined thoroughly.

Chellappa, R. K., & Pavlou, P. A. (2002). Electronic commerce (EC) transactions square measure subject to multiple info security threats. Proposes that shopper trust in Common Market transactions is influenced by perceived info security and distinguishes it from the target assessment of security threats. Proposes mechanisms of coding, protection, authentication, and verification as antecedents of perceived info security. These mechanisms square measure derived from technological solutions to security threats that square measure visible to customers and thus contribute to actual shopper perceptions. Tests propositions in a very study of 179 customers and shows a big relationship between consumers' perceived info security and trust in Common Market transactions. Explores the role of restricted money liability as a surrogate for perceived security. However, the findings show that there's a tokenish result of economic liability on consumers' trust in Common Market. Engenders many new insights relating to the role of perceived security in Common Market transactions.

Asher, M. (2009). As Asian nation addresses the challenges of the ordinal century and managesits rise globally, constructing and implementing a contemporary Social Security system represents among the foremost imperatives. a contemporary Social Security system will modify Asian nation to cushion the burden on staff of restructuring public and personal organizations; to extend the legitimacy of any reforms and to encourage people and companies to interact in entrepreneurship and make artistic career selections. All 3 square measure essential for Asian nation to emerge as a resilient knowledge-driven economy and society. Before enumerating the case for Social Security reform in Asian nation, it may be useful to produce a quick summary of the key ideas and analytical framework concerned in coming up with and implementing Social Security systems. The paper ends with four broad reform themes designed to construct and sustain a contemporary Social Security system for rising Asian nation**.**

Fletcher, L. P. (1976). The paper describes the introduction of National Provident Fund Schemes within the British Leeward and Windward Isles underneath the steerage of a people Government throughout the Sixties. Adopted on the recommendations of technical consultants from the uk, the schemes square measure terribly similar (except for the down one in one amongst the territories wherever unfavourable political developments occurred); they're funded by payroll taxes levied on each employers and workers, cowl nonpensionable workers between ages sixteen and sixty and create provisions for retirement and different advantages that have principally been delayed. The operations of the schemes square measure mentioned, with crucial

attention being given to the utilization manufactured from the accumulated funds. several weaknesses of the schemes square measure mentioned, a number of that create them inferior, within the writer's read, to alternate programmes advised many years earlier. The paper concludes with the hope that in spite of the schemes' limitations, enhancements are going to be created therefore on improve the prospects for social insurance within the region.

Allen, F., & Gale, D. (2004). Competition policy within the banking sector is difficult by the REQUIREMENT OF MAINTAINING MONETARY STABILITY. BIGGER COMPETITION COULD ALSO BE SENSIBLE FOR (static) potency, however unhealthy for monetary stability. From the purpose of read of welfare political economy, the relevant question is: what area unit the economical levels of competition and monetary stability? we tend to use a spread of models to deal with this question and realize that totally {different|completely different} models give different answers. the link between competition and stability is complex: typically competition will increase stability. additionally, in a very best world, concentration could also be socially preferred to good competition and excellent stability could also be socially undesirable.

3. OBJECTIVES

1. To analyze the benefits for the employee's through provident fund.
2. To analyze the level satisfaction of employees towards provident fund.
3. To analyze the factors influencing the employees to invest in employee's provident fund.

4. HYPOTHESIS SETTING

Hypothesis 1
H_0 (Null Hypothesis): There is no significance association between gender and aware of investment.

Hypothesis 2
H_0 (Null Hypothesis): There is no significance association between income and percentage of income.

Hypothesis 3
H_0 (Null Hypothesis): There is no significance association between income and pf in which invested.

Hypothesis 4
H_0 (Null Hypothesis): There is no significance association between income and short term goal of investment.

Hypothesis 5
H_0 (Null Hypothesis): There is no significance association between income and avenues.

5. RESEARCH METHODOLOGY

5.1 Research Design

Descriptive study

A Descriptive Design seeks to describe the current status of a variable or phenomenon. The researcher does not begin with a hypothesis, but typically develops one after the data is collected. Data collection is mostly observational in nature.

5.2 Data Collection Source

The study was conducted with primary data which was collected through the structured questionnaire from the respondents in Trichy region particularly from male respondents.

5.3 Methods of Data Collection

The data was collected through a structured questionnaire which was prepared based on the objectives and the variables that affect the study. The structured questionnaire consists of various types of questions like one end questions, closed end questions and Likert scale questions.

5.4 Sampling Design

The sampling design used was the non probability sampling (convenient and purposive sampling technique). The sample size of 30 was taken to conduct the pilot study and the reliability test was conducted using Cronbach Alpha analysis. Also the validity test was conducted using Factor Analysis.

Table 1: Reliability statistics

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.767	.704	12

5.5 Statistical Tools Used

For the purpose of analysis and interpretation, the data collected from the questionnaires was analyzed using chi-square test and the percentage analysis was done.

The results of the chi-square test are as follows:

6. RESULT AND DISCUSSION

Hypothesis 1

H_0 (Null Hypothesis): There is no significance association between gender and aware of investment

Table 2: Chi-Square Tests for hypothesis 1

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Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	101.198[a]	9	.000
Likelihood Ratio	118.937	9	.000
Linear-by-Linear Association	57.924	1	.000
N of Valid Cases	160		

a. 4 cells (25.0%) have expected count less than 5. The minimum expected count is 4.20.

Calculated Value = 101.198, Asymptotic Significance value = 0.000
The Asymptotic Significance value is lesser than 0.05. Hence H_0 is rejected and H_1 is accepted.
Therefore there is significance association between gender and aware of investment.

Hypothesis 2

H_0 (Null Hypothesis): There is no significance association between income and percentage of income.

Table 3: Chi-Square Tests for hypothesis 2

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.495[a]	1	.002
Continuity Correction[b]	8.469	1	.004
Likelihood Ratio	9.949	1	.002
Fisher's Exact Test			
Linear-by-Linear Association	9.435	1	.002
N of Valid Cases	160		

Calculated Value = 9.495, Asymptotic Significance value = 0.002
The Asymptotic Significance value is lesser than 0.05. Hence H_0 is rejected and H_1 is accepted.
Therefore there is significance association between income and percentage of income.

Hypothesis 3

H_0 (Null Hypothesis): There is no significance association between income and pf in which invested.

Table 4: Chi-Square Tests for hypothesis 3

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.375[a]	9	.081
Likelihood Ratio	19.359	9	.022
Linear-by-Linear Association	1.410	1	.235
N of Valid Cases	160		

a. 4 cells (25.0%) have expected count less than 5. The minimum expected count is 4.20.

Calculated Value = 15.375, Asymptotic Significance value = 0.081

The Asymptotic Significance value is greater than 0.05. Hence H_0 is accepted and H_1 is rejected. Therefore there is no significance association between income and pf in which invested.

Hypothesis 4

H_0 (Null Hypothesis): There is no significance association between income and short term goal of investment.

Table 5: Chi-Square Tests for hypothesis 4

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	72.401[a]	6	.000
Likelihood Ratio	76.558	6	.000
Linear-by-Linear Association	37.172	1	.000
N of Valid Cases	160		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.40.

Calculated Value = 72.401, Asymptotic Significance value = 0.000

The Asymptotic Significance value is lesser than 0.05. Hence H_0 is rejected and H_1 is accepted. Therefore there is significance association between income and short term goal of investment.

Hypothesis 5

H_0 (Null Hypothesis): There is no significance association between income and avenues.

Table 6: Chi-Square Tests for hypothesis 5

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.872[a]	9	.019
Likelihood Ratio	23.336	9	.005
Linear-by-Linear Association	.191	1	.662
N of Valid Cases	160		

a. 2 cells (12.5%) have expected count less than 5. The minimum expected count is 2.40.

Calculated Value = 19.872, Asymptotic Significance value = 0.019

The Asymptotic Significance value is lesser than 0.05. Hence H_0 is rejected and H_1 is accepted.

Therefore there is significance association between income and avenues.

7. FINDINGS

HYPOTHSIS	ASYMPTOTIC SIGNIFICANCE VALUE	RESULT	INFERENCE
1.	0.000	H_0 is rejected and H_1 is accepted.	Therefore there is significance association between gender and aware of investment.
2.	0.002	H_0 is rejected and H_1 is accepted.	Therefore there is significance association between income and percentage of income.
3.	0.081	H_0 is accepted and H_1 is rejected.	Therefore there is no significance association between income and pf in which invested.

4.	0.000	H_0 is rejected and H_1 is accepted.	Therefore there is significance association between income and short term goal of investment.
5.	0.019	H_0 is rejected and H_1 is accepted.	Therefore there is significance association between income and avenues.

8. CONCLUSION

In most of the cases, it's forced saving that is resisted initially by most employees. But once you get used to that bite out, it works to your advantage. The Employee Provident Fund is maintained by the Employees' Provident Fund Organisation of India. Any company who have more than 20 employees under him then he shall register with the Employee Provident Fund Organisation.EPF can be helpful during the emergency or during the short of funds can borrow from funds.

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