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## **INVESTMENT DECISIONS AMONG THE STOCK MARKET INVESTORS AND AWARENESS ON OPERATIONAL PERFORMANCE OF PRIVATIZED COMPANIES**

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### **ABSTRACT**

Operational performance quantifies the effectiveness and efficiency with which a company carries out its internal procedures in order to meet its targets. It entails keeping an eye on and improving key performance indicators (KPIs) like cost effectiveness, quality, productivity, and customer satisfaction. By assessing and enhancing its operational performance, a company can lower expenses, boost investor satisfaction, and become more competitive. Operational performance is crucial for businesses for a variety of reasons. It can, first and foremost, have a big effect on a company's bottom line. By enhancing operational performance, a company can raise revenue, cut expenses, and boost profitability. For instance, a manufacturing company's sales and profits will rise if it can boost productivity and create more products using the same resources. The present study aimed to know the investment decisions among the stock market investors and operational performance of privatized companies in Malappuram District of Kerala. The study used a questionnaire method to collect the data from 120 respondents by applying convenience sampling. The study revealed that investor must measure operational performance in order to pinpoint problem areas and streamline procedures. Organisations may monitor their progress and make well-informed decisions to increase productivity and cut expenses by establishing quantifiable goals and monitoring key performance indicators (KPIs).

**KEYWORDS:** Operational performance, Investor, Stock market, Streamline, Productivity.

### **INTRODUCTION**

One essential component of managing any business is operational performance. It speaks to how successfully and efficiently a business runs its daily operations in order to meet its goals and objectives. This idea includes people, procedures, and technology, among other elements of an organisation. This blog post will give a thorough explanation of operational performance, outlining its definition, significance, and instances of its use in actual situations. We will also look at the best ways to improve operational performance as well as the key performance indicators (KPIs) that are used to measure it. The Stock Exchange Board of India (SEBI) oversees the regulation of the Indian stock

market. The development of stock exchanges, investor rights protection, and regulation fall under the purview of SEBI. This indicates that when investors make financial product purchases on the stock market, the regulatory framework established by SEBI serves to safeguard their interests and lower the likelihood of business fraud. The process of converting a publicly held company into a privately held one is referred to as privatization. Public organizations are recorded on significant stock trades. Their stock is exchanged freely and can be traded by any financial backer. The stock market is a constant contributor to the expanding economy and responds to all measures of economic expansion, including GDP, inflation, corporate profits, and so forth. A booming economy can be directly benefited by stock market investors, and the value of their investments increases in line with economic growth. An economy that is expanding boosts corporate earnings, which raises the average individual income. Sales then rise as a result of this impacting consumer demand. As a result, the share price of the company you invested in increases, increasing the value of your investment. Making decisions about investments, also known as capital budgeting, entails figuring out where and how much capital should be allocated to produce the best returns for shareholders or investors. These choices usually entail a sizable initial outlay in return for a projected stream of future profits. Investing in R&D, buying new property, developing into new markets, or buying new equipment are some examples of investment decisions. Numerous factors play a role in these decisions, which frequently have long-term effects. Sustaining a competitive edge also depends on operational performance. In the current dynamic business landscape, organisations must perpetually endeavour to enhance their efficiency and effectiveness in order to maintain a competitive edge. Through consistent evaluation and enhancement of their operational performance, enterprises can maintain a competitive edge and adjust to dynamic market circumstances. Moreover, companies can use operational performance to pinpoint areas for improvement and carry out necessary adjustments to boost productivity and effectiveness. Businesses can find bottlenecks and other inefficiencies in their processes and take action to streamline or remove them by analysing KPIs and other metrics. This may result in higher profitability, lower expenses, and better productivity. Furthermore, operational performance is critical to guaranteeing that a company can provide its clients with high-quality goods or services. Enhancing customer satisfaction, decreasing defects, and raising product quality can all be achieved by streamlining internal processes. Increased client loyalty and repeat business may result from this, and these factors may be crucial to a company's long-term success.

### **Reviews of the literature**

The relationship between corporate investment in intellectual capital and business performance was examined by Bahramfa and Saei (2006). His research indicates a strong correlation between intellectual capital and business performance for companies. His findings are centred on the notion that investing in knowledge acquisition yields increased firm value. Focusing on financial leadership in the context of financial market behaviour, Danilova and Nazmutdinova (2018) examined current



financial trends and conducted an empirical model that explains the investment behaviour for both established commodities (gold) and the new entrants (stock market papers of the leading technological companies). This study suggests that good financial leadership requires careful planning and analysis. Investors could make all of their money or none at all. To survive the financial market and make the best decisions, investors must make use of all available information.

### **Methodology of the research**

Generally, research is the pursuit of knowledge. Research can also be defined as a methodical, scientific search for relevant data on a particular subject. Research is a kind of artistic scientific inquiry. Both primary and secondary data were used in this study. The primary data was gathered in Malappuram District of Kerala. The relevant data was gathered from the 120 sample respondents in the district of Malappuram using the field survey technique. Convenience sampling technique was used to choose the respondents from the chosen area. The primary instrument used to gather the data was the questionnaire.

### **Objective of the study**

To know the investment decisions among the stock market investors and awareness on operational performance of privatized companies.

### **Results and discussions**

To find out the association between profile variables and awareness level, the test ANOVA was applied.

H<sub>0</sub>: There is no significant association between profile variables and awareness and influences level.

H<sub>1</sub>: There is a significant association between profile variables and awareness and influences level.

TABLE 1

Profile variables	Awareness level on operating performance of stock market companies						
	Variance	Sum of square	D.F	Mean Square	F-Statistics	Sig	Remark
Gender	Between groups	185.657	1	185.657	6.105	.015**	Reject Ho
	Within groups	3588.310	118	30.409			
Age	Between groups	440.794	6	73.466	2.491	.027**	Reject Ho
	Within groups	3333.172	113	29.497			
Educational qualification	Between groups	350.075	6	58.346	1.926	.083 <sup>NS</sup>	Accept Ho
	Within groups	3423.891	113	30.300			
Occupation	Between groups	649.542	6	108.257	3.915	.001*	Reject Ho
	Within groups	3124.425	113	27.650			
Marital status	Between groups	71.959	3	23.986	.752	.524 <sup>NS</sup>	Accept Ho
	Within groups	3702.008	116	31.914			
Investment experience	Between groups	179.105	3	59.702	1.926	.129 <sup>NS</sup>	Accept Ho
	Within groups	3594.862	116	30.990			
Type of investment	Between groups	194.978	4	48.745	1.566	.188 <sup>NS</sup>	Accept
	Within groups	3578.988	115	31.122			

\*S- Significant at 1% level; \*\*S- Significant at 5% level; NS- Not Significant at 5% level.

It is understood from the above table that the factors age, gender and occupation are significant with awareness level on operating performance of stock market companies at 1% and 5% level. Hence it is concluded that there is a significant association between the age, gender and occupation of the investors and awareness level on operating performance of stock market companies.

TABLE 2

Profile variables	Influences level of operating performance of stock market companies						
	Variance	Sum of square	D.F	Mean Square	F-Statistics	Sig	Remark
Gender	Between groups	2.540	1	2.540	.087	.768 <sup>NS</sup>	Reject Ho
	Within groups	3429.460	118	29.063			
Age	Between groups	865.425	6	144.237	6.350	.000*	Reject Ho
	Within groups	2566.575	113	22.713			
Educational qualification	Between groups	953.482	6	158.914	7.245	.000*	Accept Ho
	Within groups	2478.518	113	21.934			
Occupation	Between groups	337.044	6	56.174	2.051	.065 <sup>NS</sup>	Reject Ho
	Within groups	3094.956	113	27.389			
Marital status	Between groups	558.293	3	186.098	7.512	.000*	Accept Ho
	Within groups	2873.707	116	24.773			
Investment experience	Between groups	921.703	3	307.234	14.197	.000*	Accept Ho
	Within groups	2510.297	116	21.640			
Type of investment	Between groups	893.717	4	223.429	10.123	.000*	Accept
	Within groups	2538.283	115	22.072			

\*S- Significant at 1% level; NS- Not Significant at 5% level.

It is identified from the above table that the factors age, educational qualification, marital status, investment experience and type of investment are significant with influences level of operating performance of stock market companies. Hence it is concluded that there is a significant association between the age, educational qualification, marital status, investment experience and type of investment of the investors and influences level of operating performance of stock market companies.

## **SUGGESTIONS AND CONCLUSION**

It is impossible to overestimate the importance of operational performance for any business or organization's ability to succeed. To continuously improve their operational performance, businesses must identify obstacles, measure and monitor it frequently using the right KPIs, and put best practices into practice. The situation is more complicated for privatised businesses in industries like utilities, where it is obvious from the start that the business will remain subject to regulation. The government will make an effort to bolster the legitimacy of its pledge to refrain from interfering in order to reduce the issue of regulatory risk. One way to do this would be to establish a clear regulatory framework overseen by an independent regulator. Investors should carefully analyse the operational performance of the companies before making investment. So, it is a key factor of any company. All parties involved, including organisational leadership, staff, and technology, must work together on this. Businesses can optimise their operational performance and enjoy increased efficiency, productivity, and customer satisfaction by investing in the right technology solutions and cultivating a culture of continuous improvement. However, poor operational performance can have serious repercussions, including diminished customer satisfaction, lost revenue, and harm to one's reputation. Consequently, in order to optimise operations, organisations need to take advantage of opportunities and proactively address operational performance challenges to attract new investors.

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