## 2.5   The Factors Affect for Savings of the Employees at Garment Factories in Sri Lanka (With Reference to Seethewaka Industrial Zone)

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### ABSRACT

Saving is a fundamental component which determines economic development .In a country like Sri Lanka the savings have become a crucial factor. Therefore it's worthy to focus on the savings done by the employees of garment industries since the garment industries contribute largely in earning foreign exchange. When the open economy and the import-export trade culture was introduced in 1977 there was a huge enthusiasm concerning export industry.   Thereafter garment industries played a major role in industrial policy formation. This study focuses on the factors which contribute to the savings carried out by employees of garment industries and makes an attempt to derive a savings function.

This study has used both primary and secondary data. It has selected a sample of 100 workers from the garments industries located at Seethawaka Industrial Zone in the Colombo District. Questionnaires and interviews were used to collect primary data. The problem of this study is there are less amount of employees at garment industries. The objective of this study is to find out the impact of permanent income, temporary income, service period, education status and age on saving of employees at garment industries in Sri Lanka.   The collected data on, permanent income, temporary income, service period, educational status, and age were the identified factors which affect directly the savings of employees in garment industries. The Regression Model was used to analyze the data. Savings were taken as a dependent variable while the factors which affect the savings were taken as independent variable to derive regression line.

According to the collected data it can be concluded that the service period affects the savings of the employees as with the length of the service period, there is a possibility of reaching a considerable high level of permanent income. This leads to the increase of savings of the employees. The majority of them are O/Level dropouts and they do not care seriously about savings. Therefore their savings are also very low. The employees do not receive enough stable income due to the nature of their skills. Generally the only fact that helps them to stabilize monthly income is augmentation of their income through over time etc. Both male and female employees do not have savings habits but they rely on savings with chits.

Policy making on behalf of the development of savings of employees in the garment industries should implement an effective mechanism for the upliftment of their permanent as well as temporary income. Moreover making them aware of the value of savings habit and motivating them towards the habit of savings are very important for the development of the country.
Key words: Garment Industry, Regression Model, Savings, Factors