A Study on Factors Influencing IT Employees Behaviour towards Investments

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ABSTRACT

By combining quantitative surveys and qualitative interviews with IT professionals in India's tech cluster-Hyderabad, this study investigates the complex factors impacting the investing behaviour of IT workers. Significant research indicates that age, income, education, and job experience are important determinants of investment preferences, with younger workers exhibiting a preference for high-risk investments and older workers for safer ones. Investment decisions are also influenced by socioeconomic factors such as peer pressure, cultural background, and economic situations, in addition to psychological elements like risk tolerance, financial literacy, and cognitive biases. The report provides insightful information by highlighting the significance of specialised financial literacy programmes, individualised investment advising services, and a positive economic climate for helping IT professionals make wise investment decisions.

Keywords: Investment, IT Professionals, Income, Preference.

INTRODUCTION

A complicated web of environmental, cultural, financial, and psychological influences influence investment behaviour. Investment is fundamentally the allocation of resources for the purpose of making future income or profit, and attitudes, perceptions, and risk tolerance are greatly influenced by human psychology. Cognitive biases like overconfidence and loss aversion affect investment decisions and frequently result in less than ideal results. Behavioural finance demonstrates this. The risk choices and investing strategies of individuals are greatly influenced by demographic factors such as income level, education, and employment position, in addition to life stage and critical life events. Moreover, attitudes towards money and investing decisions are shaped by social and cultural factors, such as cultural norms and peer pressure.

Since the earliest agricultural communities to the contemporary global markets, investment strategies have developed in tandem with economic and technological breakthroughs. flourished in the 20th century. Online trading platforms, fintech advancements, and cryptocurrency have all contributed to the further transformation of investment behaviour in the digital age. Sustainable and socially conscious investing are the focus of current trends. Achieving financial objectives and navigating the ever-changing global market landscape depend on having a solid understanding of the complex elements impacting investment behaviour, even as investment practices continually change.

REVIEW OF LITERATURES

Raihan et al., (2021) carried a research on “Factors affecting individual investor decision making behaviour- A study on investors in Dhaka & Chittagong, Bangladesh” on 100 respondents. Aim of this research was to identify the factors affecting investors‟ investment decision making. Study revealed that financial needs, Advocate recommendation, Accounting information, self image and neutral information affect their decision making..

Bhat & Wolfs (2021) conducted survey on "Impact of Demographic Variables on Investment Behaviour of University Teachers". A sample of 700 teachers was collected It was also found that respondents from joint family are self responsible, female teachers are more self imagery but male are more prudence. Teachers of technical department were found to be more self confident, allegiance and perceived self imagery

Priyanka Sharma & Payal Agrawal [2021) for his or her study "Investors perception and angle towards fund as an investment option" surveyed fifty respondents hand-picked indiscriminately, and picked up the information through a structured form to spot the intensity of varied factors that completely and adversely have

Usha Lakshmi & Dr.K. Selvavinayagam (2019) 1 Studies the investment behaviour of College Teachers of Government and Private Colleges in Dharmapuri District. Researchers found that being from salaried class college teachers of both government & private college; they consider safety as the most important factor while investing. This behaviour was a result of lack of financial literacy and lack of awareness about the grievance process available in case of issues. Most of them tend to invest in gold, real estate, secured fixed or recurring deposits in banks and insurance.

Mittal & Singh (2019) analyzed on "A study of investors" behaviour towards Indian mutual funds in Haryana" with a sample of hundred investors. Main objective to carry out this survey was to identify the factors affecting investment decision and the preference to different avenues. Data under this study was collected from Haryana and Delhi. It was depicted that majority of the respondents prefers to get information from agents and brokers and least from TV and emails. To identify responsible factors, descriptive statistics was used on 5 point rating scale. It was identified that return is the most and affordability is the least influential factor among all. Despite this a low level of literacy was found among the investors.

.Madhavi Karanam and R. Shenbagavalli, (2019), The study reveals a very high association between the profession and the investment choices. Thus, we can conclude that occupation is a major influencer with respect to risk-return perspective and the investment choice

.M. Rani Subathra and S. Bulomine Regi (2018), This paper focus towards elements of retail investors to invest in stock market, obstacles of investment and their satisfaction after investment. Based on stratified random sampling, samples were collected. The study reveals that, post investment satisfaction is necessary for every investment mode. So, more awareness should be made among the small and medium range investors regarding investment in stock market

STATEMENT OF THE PROBLEM

This study's research problem is to look into the different factors that affect the investment behaviours of IT workers, such as work-related factors like job satisfaction and career growth prospects, socioeconomic conditions like income level and job stability, psychological traits like risk tolerance and financial literacy, and demographic characteristics like age, gender, and marital status. There's a lot of variance in the way IT professionals approach investing decisions, even though the field generally offers significant earning potential. Gaining an understanding of these factors is essential to creating support systems and financial planning plans that are appropriate for IT workers' demands

OBJECTIVES OF THE STUDY

1. To study the demographic variables of IT employees
2. To Study the Investment preferences of IT Employees
3. To Study various factors Influencing Investment behaviour of IT Employees
4. To Analyze the effect of Work Experience on Investment behaviour

HYPOTHEISIS

Ho: There is no Association between Work experience and Investment behaviour

H_1: There is a Association between Work Experience and Investment behaviour

RESEARCH METHODOLOGY

SOURCES OF DATA

This study utilized both primary and secondary data sources. Primary data was gathered directly through a structured questionnaire administered via Google Forms to a randomly selected sample of 120 respondents. Secondary data sources included books, journals, periodicals, and websites. The analysis, primarily descriptive in nature, was conducted using SPSS to interpret the data collected through the random sampling approach.

STATISTICAL TECHNIQUES USED FOR DATA ANALYSIS

Descriptive Statistics

Factor Analysis

Chi-Square

Table 5.1: Gender Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	FEMALE	47	39.2	39.2	39.2
	MALE	73	60.8	60.8	100.0
	Total	120	100.0	100.0	

From table 5.1 female accounted for 39.2 percentage and male for 60.8 percentage of the total respondents

Age Of the Respondents

Valid	18 TO 25 YEARS	25	20.8	20.8	20.8
	26 TO 30 YEARS	29	24.2	24.2	45.0
	31 TO 35 YEARS	25	20.8	20.8	65.8
	36 TO 40 YEARS	19	15.8	15.8	81.7
	41 TO 45 YEARS	12	10.0	10.0	91.7
	46 TO 50 YEARS	7	5.8	5.8	97.5
	ABOVE 50 YEARS	3	2.5	2.5	100.0
	Total	120	100.0	100.0	

Table 5.3: Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	8	6.7	6.7	6.7
	Doctorate	4	3.3	3.3	10.0
	Post Graduation	70	58.3	58.3	68.3
	Under Graduation	38	31.7	31.7	100.0
	Total	120	100.0	100.0	

From Table 5.3 Maximum Respondents were falling in the category of Post Graduation Qualification followed by Under graduation & diploma

Table 5.4 : Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DIVORCED	3	2.5	2.5	2.5
	MARRIED	69	57.5	57.5	60.0
	SINGLE	48	40.0	40.0	100.0
	Total	120	100.0	100.0	

From table 5.4: We can interpret that 69 respondents are married followed by Singles accounting for 48 followed by divorced accounting for 3.

Table 5.5: Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2,00,000 TO 4,00,000	5	4.2	4.2	4.2
	4,00,000 TO 6,00,000	26	21.7	21.7	25.8
	6,00,000 TO 8,00,000	34	28.3	28.3	54.2
	8,00,000 TO 10,00,000	35	29.2	29.2	83.3
	ABOVE 10,00,000	20	16.7	16.7	100.0
	Total	120	100.0	100.0	

From Table 5.5 Its Observed that 35 respondents fell in 8 lakhs to 10 Lakh bracket followed by 6lakh to 8 lakhs ,followed by 4 lakh to 6 lakh

Table 5.6 Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5 YEARS	46	38.3	38.3	38.3
	10-15 YEARS	14	11.7	11.7	50.0
	5-10 YEARS	54	45.0	45.0	95.0
	ABOVE 15 YEARS	6	5.0	5.0	100.0
	Total	120	100.0	100.0	

From Table 5.6 We can interpret that 54 respondents worked from 5 years to 10 years ,followed by 46 respondents who worked for freshers to 5 years

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ECONOMICAL FACTORS Does Increase in level of Income affects your Interest in invest	120	1	5	4.17	.813
Financial Steadiness is an essential component affecting you to invest	120	1	5	4.13	.984
Do you borrow funds from different sources to make the investment	120	1	5	3.46	1.396
Do you Prefer long term investment	120	1	5	4.03	1.107
Do you prefer Diversification of funds	120	1	5	3.91	1.069
PSYCHOLOGICAL FACTORS Do you prefer less risky investment avenues rather than risky	120	1	5	3.78	1.298
Do you differentiate between various investment avenues	120	1	5	3.77	1.248

Does your past investment experience affects future investment	120	1	5	3.68	1.223
Are you influenced by others opinions while making investment	120	1	5	3.57	1.413
Does your Education Qualification have an effect on your investment	120	1	5	3.91	1.270
SOCIO-CULTURAL FACTORS Do you have adequate information about the investment avenues	120	1	5	3.93	1.070
Does your Investment decision gets affected by the external environment	120	1	5	3.75	1.259
Does Marital status influnces you in making Investment decision	120	1	5	3.49	1.506
Do you maintain regularity in your payments	120	1	5	4.20	.958
Do you follow Investment avenues to understand the performance of investment	120	1	5	3.86	1.132
Valid N (listwise)	120				

Respondants Preferences

Valid	BANK DEPOSITS (F.D ,R.D)	5	4.2	4.2	4.2
	BANK DEPOSITS (F.D ,R.D);REAL ESTATE	4	3.3	3.3	7.5
	GOLD	11	9.2	9.2	16.7
	GOLD;BANK DEPOSITS (F.D ,R.D)	14	11.7	11.7	28.3
	GOLD;BANK DEPOSITS (F.D ,R.D);Post office Savings	1	.8	.8	29.2
	GOLD;BANK DEPOSITS (F.D ,R.D);REAL ESTATE	6	5.0	5.0	34.2
	GOLD;MUTUAL FUNDS	1	.8	.8	35.0

	GOLD;MUTUAL FUNDS;BANK DEPOSITS (F.D ,R.D)	4	3.3	3.3	38.3
	GOLD;MUTUAL FUNDS;REAL ESTATE	1	.8	.8	39.2
	GOLD;REAL ESTATE	3	2.5	2.5	41.7
	GOLD;SHARES	1	.8	.8	42.5
	GOLD;SHARES;BANK DEPOSITS (F.D ,R.D)	6	5.0	5.0	47.5
	GOLD;SHARES;MUTUAL FUNDS	4	3.3	3.3	50.8
	GOLD;SHARES;MUTUAL FUNDS;BANK DEPOSITS (F.D ,R.D)	6	5.0	5.0	55.8
	GOLD;SHARES;MUTUAL FUNDS;BANK DEPOSITS (F.D ,R.D);REAL ESTATE	3	2.5	2.5	58.3
	GOLD;SHARES;MUTUAL FUNDS;REAL ESTATE	1	.8	.8	59.2
	MUTUAL FUNDS	2	1.7	1.7	60.8
	MUTUAL FUNDS;BANK DEPOSITS (F.D ,R.D)	4	3.3	3.3	64.2
	MUTUAL FUNDS;BANK DEPOSITS (F.D ,R.D);REAL ESTATE	3	2.5	2.5	66.7
	MUTUAL FUNDS;REAL ESTATE	2	1.7	1.7	68.3
	SHARES	4	3.3	3.3	71.7
	SHARES;BANK DEPOSITS (F.D ,R.D)	11	9.2	9.2	80.8
	SHARES;MUTUAL FUNDS	14	11.7	11.7	92.5
	SHARES;MUTUAL FUNDS;BANK DEPOSITS (F.D ,R.D)	5	4.2	4.2	96.7
	SHARES;MUTUAL FUNDS;REAL ESTATE	2	1.7	1.7	98.3
	SHARES;REAL ESTATE	2	1.7	1.7	100.0
	Total	120	100.0	100.0	

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.625
Bartlett's Test of Sphericity	Approx. Chi-Square	43.185
	Df	10

	Sig.	<.001

Table 5.9-KMO & Bartlett test

Analysis

Data appropriateness for factor analysis is evaluated using the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy. The sample may be considered moderately acceptable for factor analysis, as indicated by the value of 0.625. In summary, both the KMO measure and Bartlett's test suggest that the dataset is appropriate for factor analysis, as there is evidence of intercorrelation among the variables**.**

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.715
Bartlett's Test of Sphericity-	Approx. Chi-Square	91.075
	Df	10
	Sig.	<.001

Table -KMO & Bartlett test for factor 2

KMO of.715: This indicates that the variables are suitable, if not ideal, for factor analysis and that the sample size is sufficient.
"-Sig. <.001) for Bartlett's Test: verifies that the data is suitable for factor analysis by showing that the correlations between the variables are significant.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.707
Bartlett's Test of Sphericity	Approx. Chi-Square	89.336
	Df	10
	Sig.	<.001

Table -KMO & Bartlett For factor 3

In summary, the KMO value suggests moderate sampling adequacy, and Bartlett's Test indicates that the correlations between variables are sufficiently different from zero to proceed with factor analysis.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	101.156[a]	75	.024
Likelihood Ratio	93.559	75	.072

N of Valid Cases	120		

a. 100 cells (96.2%) have expected count less than 5. The minimum expected count is .05.

Table.-Chi Square test

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.918	.024
	Cramer's V	.530	.024
N of Valid Cases		120	

Since the p-value is 0.024, which is less than the level of 0.05, we can reject the null hypothesis that there is no association between the variables. Thus, there is a statistically significant association between the variable Work Experience & Investment Behaviour at the 5% significance level.

FINDINGS

- The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) is 0.625, indicating moderately adequate sampling for factor analysis. Bartlett's Test of Sphericity is significant ($\chi^2 = 43.185$, df = 10, $p < .001$), suggesting that the correlation matrix is suitable for factor analysis.
- The communalities after extraction via Principal Component Analysis range from 0.293 to 0.842. Variables related to income level and preference for long-term investment show relatively higher communalities, suggesting stronger shared variance with other variables in the dataset.
- The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) is 0.715, suggesting moderately adequate sampling for factor analysis. Bartlett's Test of Sphericity is significant ($\chi^2 = 91.075$, df = 10, $p < .001$), indicating suitability of the correlation matrix for factor analysis
- The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) is 0.707, indicating moderately adequate sampling for factor analysis. Bartlett's Test of Sphericity is significant ($\chi^2 = 89.336$, df = 10, $p < .001$), suggesting that the correlation matrix is suitable for factor analysis.
- The Pearson Chi-Square test yielded a significant result ($\chi^2 = 101.156$, df = 75, $p = .024$), suggesting a relationship between the variables. Symmetric measures indicate a strong association between the nominal variables, with Phi = 0.918 and Cramer's V = 0.530 (both $p = .024$), supporting the significant relationship.

CONCLUSION

The results of the survey provide important new information about the characteristics and habits of the respondents. The proportion of men (60.8%) was higher than that of women (39.2%), and the bulk of them were in the 26–30 age range, indicating that this group participated in surveys and other investment-related activities more frequently. Moreover, married respondents (69) outnumbered single respondents (48), suggesting that shared financial responsibilities have a role in respondents' investing decisions. The methodologically sound applicability of the correlation matrices for factor analysis was validated by Bartlett's Test of Sphericity, which showed a strong link between the input variables. By identifying important underlying characteristics like financial stability, investment preferences, and outside impacts on investment decisions, the factor analysis showed that the first components explained a significant amount of the total variance. Strong correlations between variables, particularly between

marital status and investment decision-making, were further highlighted by the Pearson Chi-Square test. These perceptions can help shape market analysis, policy formulation, and investment strategies to promote wise financial decisions.

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