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A Study on Investment Behaviour of salaried employees in private sector with Reference to Hyderabad city.

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Abstract
Investors play a crucial role in strengthening capital markets, particularly in developing economies such as India. A continuous flow of savings into productive investments is essential for economic growth. In recent years, participation of retail investors in equity markets has increased significantly. Investment refers to the allocation of funds with the expectation of future returns, although it involves risk due to uncertainty.
This study examines the investment behaviour of salaried employees in private sector with reference to Hyderabad city and explores relationships among various influencing factors. Data were collected using structured questionnaires and analyzed using SPSS software, applying the Chi-square test. The findings emphasize the importance of financial planning and awareness in making informed investment decisions. Given the complexity of modern financial markets, financial literacy is essential for maximizing returns while minimizing risk.
Keywords: Capital market, financial planning, investor behaviour, financial literacy, investment decisions

1. Introduction

Investment involves committing financial resources with the expectation of future returns. However, such decisions are subject to uncertainty and risk. Investor behaviour is shaped by psychological, economic, and demographic factors, including risk tolerance, preferences, and access to information.
Behavioural finance explains how cognitive and emotional factors influence financial decisions. Investors often rely on past experiences, beliefs, and heuristics while making investment choices. In reality, investors differ significantly in their financial goals, knowledge levels, and interpretation of market information.
India's financial system has undergone rapid transformation, supported by banking sector developments, regulatory initiatives. Despite these advancements, challenges such as financial awareness and market complexity persist. Understanding investor behaviour is therefore critical for improving financial decision-making and policy formulation.

2. Literature Review

Previous studies highlight the importance of demographic and psychological factors in shaping investment behaviour. Investment preferences vary based on risk-return expectations, income levels, and financial goals.
Research indicates that low-risk instruments such as bank deposits and bonds are preferred by conservative investors, whereas equities attract risk-tolerant individuals. Income level plays a significant role in determining savings and investment patterns. Additionally, demographic factors such as age, education, and gender influence investment decisions.
Studies have also shown that women tend to be more risk-averse than men. Investment objectives vary across life stages, with younger individuals focusing on growth and older individuals prioritizing security. Safety, tax benefits, and returns are key determinants influencing investment decisions among salaried individuals.

3. Research Methodology

3.1 Statement of the Problem

Investment decisions are influenced by factors such as income, risk perception, and financial objectives. This study examines how these factors affect investment behaviour and risk tolerance.

3.2 Objectives of the Study

- To analyze the investment behaviour of individual investors
- To examine the relationship between demographic factors and investment patterns

3.3 Scope of the Study

The study focuses on investors in the Hyderabad city region and examines various investment options and influencing factors.

3.4 Data Collection

Primary data were collected through a structured questionnaire consisting of 18 questions. Secondary data were obtained from books, journals, and online sources.

3.5 Sample Size

The study is based on a sample of 200 respondents selected randomly.

3.6 Research Design

- Descriptive research design
- Cross-sectional study

3.7 Hypotheses

H1: There is a significant relationship between educational qualification and financial awareness
H2: There is a significant relationship between age and investment objectives
H3: There is a significant relationship between marital status and investment needs
H4: There is a significant relationship between income and percentage of income invested
H5: There is a significant relationship between occupation and preferred investment instruments

4. DATA ANALYSIS

Most numbers of the respondents are between the 20-29 years of the age group which accounts for47.5%. Based on the gender, most of them are male respondents which are 55.9%. Most of the respondents are single which is 77.7 % and qualification is graduation which is almost 52 %.Most of the respondents are students, which is 52% and 11.4% are from the professional category. Most respondents' annual income is 1, 00,000 and only 19.8% of respondents have a monthly income of above 5, 00,000. Of the total number of respondents, 31.7 % of respondents invest less than 10 % of their income, while only 10.9 % of respondents invest above 30 % of their income. 21.8 % of highest Respondents' investment holding period is less than 1 year, and only 18.3% of lowest Respondents' investment holding period is above 5 years. Most of the respondents are investing in Mutual Funds and choose the moderate risk-moderate return portfolio that suits the best which is 55 % and 25.7 % of respondents have a high risk-high return portfolio that suits them best.

Table -1. Education Qualification * Awareness of financial planning. Cross tabulation

			Awareness of financial planning.					
			Very Poor	Poor	Neutral	Good	Excellent	Total
Education Qualification	High school or less	Count	2	1	5	8	11	27
		Expected Count	1.8	3.0	9.5	8.5	4.3	27.0
	Intermediate	Count	1	2	13	12	5	33
		Expected Count	2.1	3.6	11.6	10.4	5.3	33.0
	Graduate	Count	10	16	42	29	8	105
		Expected Count	6.8	11.6	36.8	33.1	16.8	105.0
	Post Graduate and above	Count	0	3	10	14	8	35
		Expected Count	2.3	3.9	12.3	11.0	5.6	35.0
Total		Count	13	22	70	63	32	200
		Expected Count	13.0	22.0	70.0	63.0	32.0	200.0

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Table-2.Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.344[a]	12	.004
Likelihood Ratio	30.256	12	.003
Linear-by-Linear Association	2.193	1	.139
N of Valid Cases	200		

a. 7 cells (35.0%) have an expected count of less than 5. The minimum expected count is 1.76.

The term "awareness" refers to being aware of the existence of a specific truth, event, or object. The set of skills and knowledge that enables an individual to make educated and effective financial decisions is referred to as awareness. As a result, consciousness is a process by which one becomes aware of the existence of something new. This process of learning gives a person a concept of something he didn't know before. He may, however, lack in-depth expertise in the subject. Acquiring knowledge of the most recent breakthroughs in an area is also synonymous with awareness, and hence awareness is a continuous process. Various external sources produce, modify, and shape an investor's sense of awareness toward savings and investing. The print and electronic media, such as newspapers, weeklies, television, and radio, as well as personal interaction with friends, relatives, and investment consultants, all help to raise investor awareness. There is a need for financial education to improve individual financial literacy. Individuals' present levels of awareness and investing behavior toward financial items must be known to build a successful financial education program.As a result, financial knowledge becomes a critical component in efficiently planning the above. Knowing your needs early in life allows you to make better financial decisions and set your short and long-term objectives. The table above discusses in finding out the independence of two attributes namely, education qualification and awareness of financial planning. It is generally felt that a more educated person will have more knowledge of financial planning than a less educated one. Accordingly, the null hypothesis (H_0) was framed. The results shown are reflected in table no.-2. The $\chi 2$ calculated value for the given degrees of freedom 12 at 5% significance is 29.344. Which is greater than the tabulated chi-square value which is 21.026.As the table value is more than the calculated value, the null hypothesis is rejected and it is concluded that there is a significant difference between the two.

Table- 3. Age * Investment Objective Cross tabulation

			INVESTMENT OBJECTIVES				
			Getting diverse income through investment	**Invest in child marriage**	**To earn a steady stream of income to save for retirement**	**To minimize the burden of tax**	**Total**
Age	**Less than 20 years**	Count	4	32	28	2	66
		Expected Count	3.0	20.1	36.3	6.6	66.0
	20-29 Years	Count	3	17	61	13	94
		Expected Count	4.2	28.7	51.7	9.4	94.0
	30-39 years	Count	0	4	8	4	16
		Expected Count	.7	4.9	8.8	1.6	16.0
	40-49 years	Count	2	6	6	1	15
		Expected Count	.7	4.6	8.3	1.5	15.0
	50 years and above	Count	0	2	7	0	9
		Expected Count	.4	2.7	5.0	.9	9.0
Total		Count	9	61	110	20	200
		Expected Count	9.0	61.0	110.0	20.0	200.0

Table- 4. Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.353[a]	12	.002
Likelihood Ratio	32.279	12	.001
Linear-by-Linear Association	2.315	1	.128
N of Valid Cases	200		

a. 12 cells (60.0%) have an expected count of less than 5. The minimum expected count is .41.

It would be reasonable to modify your portfolio allocation according to your age. Your investing portfolio can be riskier the younger you are. The idea behind this is because the younger a person is, the more time they have to recuperate and recoup any losses caused by market downturns. In contrast, someone approaching retirement in a few years will not have enough time to recover from a market downturn. Instead, putting too much reliance on equities in one's portfolio could undermine one's overall retirement approach. They may never recoup their losses, and compensating for the revenue loss could exhaust their other assets swiftly.The table above shows how to determine the independence of two variables: age and investment objectives. As a result, the null hypothesis was developed.

Tableno.-4 reflects the results presented. At 5% significance, the estimated value for the provided degrees of freedom 12 is 31.353, which is higher than the tabulated chi-square value of 21.026. The null hypothesis is rejected since the table value exceeds the computed value, indicating that there is a significant difference between the two.

Table-5. Marital status * Need for Investment Cross tabulation

			NEED FOR INVESTMENT				
			Financial independence by investing	**Reduce taxable income**	**Invest to build a wealth**	**To have financial security**	**Total**
Marital status	**Single**	Count	3	28	75	49	155
		Expected Count	2.3	29.5	73.6	49.6	155.0
	Married	Count	0	10	20	15	45
		Expected Count	.7	8.6	21.4	14.4	45.0
Total		Count	3	38	95	64	200
		Expected Count	3.0	38.0	95.0	64.0	200.0

Table-6.Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	1.335[a]	3	.721
Likelihood Ratio	1.983	3	.576
Linear-by-Linear Association	.013	1	.910
N of Valid Cases	200		

a. 2 cells (25.0%) have an expected count of less than 5. The minimum expected count is .68.

The table above discusses in finding out the independence of two attributes namely, Marital Status and the Need for Investment. Nowadays, both single and married people mostly have the same needs for investment as everyone wants to be financially independent and secure their future. Accordingly, the null hypothesis (H_0) was framed. The results shown are reflected in table no.-6. The $\chi 2$ calculated value for the given degrees of freedom 3 significant at 5% significance is 1.335 which is less than the tabulated chi-square value which is 7.815.As the table value is more than the calculated value, the null hypothesis failed to be rejected and it is concluded that there is no significant difference between the two.

Table-7. Annual Income * Percentage of Income Invested Cross tabulation

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			PERCENTAGE OF INCOME INVESTED				
			Less than 10%	11-20%	21-30%	Above 30%	Total
Annual Income	Up to 1,00,000	Count	41	34	22	12	109
		Expected Count	34.9	36.5	25.6	12.0	109.0
	1,00,000-3,00,00	Count	9	14	7	5	35
		Expected Count	11.2	11.7	8.2	3.9	35.0
	3,00,000-5,00,000	Count	5	7	3	1	16
		Expected Count	5.1	5.4	3.8	1.8	16.0
	Above 5,00,000	Count	9	12	15	4	40
		Expected Count	12.8	13.4	9.4	4.4	40.0
Total		Count	64	67	47	22	200
		Expected Count	64.0	67.0	47.0	22.0	200.0

Table-8. Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.790[a]	9	.457
Likelihood Ratio	8.398	9	.495
Linear-by-Linear Association	2.197	1	.138
N of Valid Cases	200		

4 cells (25.0%) have an expected count of less than 5. The minimum expected count is 1.76.

With the increase in income, the consumption of the individual also increases which is named as income effect. This leads to the consumption of more superior goods and then again people don't have enough surplus left to increase their investment percentage. The table above discusses finding out the independence of two attributes namely, the Percentage of Income Invested and Annual Income. The need for investment takes an important aspect in the financial planning process and that again depends on the marital status mainly. A single person need not worry about his future or children's education etc. Accordingly the null hypothesis (H_0) was framed. The results shown are reflected in table no.-8. The $\chi 2$ calculated value for the given degrees of freedom 9 significant at 5% significance is 8.790 which is less than the tabulated chi-square value which is 16.919.As the table value is more than the calculated value, the null hypothesis failed to be rejected and it is concluded that there is no significant difference between the two.

Table-9. Occupation * In which financial instrument do you like to invest the most? Cross tabulation

			In which financial instrument do you like to invest the most?						
			Shares	Bank Deposit	Mutual Funds	Bonds	Gold/silver	Insurance	Total
Occupation	Student	Count	24	19	32	8	36	19	138
		Expected Count	19.3	17.9	35.9	9.0	31.1	24.8	138.0
	Business	Count	0	3	4	1	2	4	14
		Expected Count	2.0	1.8	3.6	.9	3.2	2.5	14.0
	Professional	Count	0	3	8	3	1	8	23
		Expected Count	3.2	3.0	6.0	1.5	5.2	4.1	23.0
	Service	Count	2	1	5	1	2	2	13
		Expected Count	1.8	1.7	3.4	.8	2.9	2.3	13.0
	Other	Count	2	0	3	0	4	3	12
		Expected Count	1.7	1.6	3.1	.8	2.7	2.2	12.0
Total		Count	28	26	52	13	45	36	200
		Expected Count	28.0	26.0	52.0	13.0	45.0	36.0	200.0

Table-10. Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	25.131[a]	20	.196
Likelihood Ratio	32.841	20	.035
Linear-by-Linear Association	1.923	1	.166
N of Valid Cases	200		

a. 22 cells (73.3%) have an expected count of less than 5. The minimum expected count is .78.

Financial service organizations are concerned about tailoring financial offerings to different investor categories. Savings are a necessary component of society. People put their money into a variety of things. The availability of investment opportunities varies significantly between the pre-liberalization and post-liberalization periods. Various factors influence individual investors' investment decisions. These judgments are heavily influenced by demographics. Specific investor segments can be discovered and targeted to boost sales potential, and investors profit when goods tailored to their preferences and criteria are supplied. The choice of people to invest in different avenues does not depend on their occupation of people since people's choices are diverse and may change from time to time. The results shown are reflected in table no.-10.The $\chi 2$ calculated value for the given degrees of freedom 20 significant at 5% significance is 25.131 which is less than the tabulated chi-square value which is 31.410.As the table value is more than the calculated value, the null hypothesis failed to be rejected and it is concluded that there is no significant difference between the two.

5. Findings

Table-11. Table of Hypothesis

	Hypothesis	Significant/Non- significant
H_1	**There is a significant difference between Education Qualification and Awareness of financial Planning.**	SIG.
H_2	**There is a significant difference between Age and Investment Objective.**	SIG.
H_3	**There is a significant difference between Marital Status and the Need for Investment.**	NON-SIG.
H_4	**There is a significant difference between Annual income and the Percentage of income invested.**	NON-SIG.
H_5	**There is a significant difference between Occupation and Financial instruments in which people invest the most.**	NON-SIG.

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FINDINGS

It is examined that out of five hypotheses, only two are accepted and the rest are rejected. There is a significant difference between Education Qualification and Awareness of financial Planning which means that with an increase in education qualification people are more financially aware of the products and have deep knowledge of risk and return therefore, they can manage their portfolio effectively and efficiently.There is a significant difference between Age and Investment Objective which means that with an increase in age people have different sets of objectives when age increases, people's requirement also changes.There is no significant difference between Marital Status and the Need for Investment which means that both single and married people have the same needs for investment like both want to be financially independent in life and be secure for their future.There is no significant difference between Annual income and the Percentage of income invested which means that with an increase in income the percentage of income invested does not increase because people have more wants and desires to fulfill with an increase in income and hence surplus left is very less.There is no significant difference between Occupation and Financial instruments in which people invest the most which mean that with a change in the occupation the people's choice does not change to invest in different other options.

6. Suggestions

- Investors should clearly define their financial goals before making investment decisions
- Professional financial advice should be sought for better outcomes
- Investors must stay informed about market trends and developments
- Awareness of diverse investment options should be improved
- Portfolios should be regularly reviewed and adjusted
- Investment decisions should consider inflation and long-term returns
- Mutual fund investors should adopt a long-term perspective

7. Conclusion

Investment is essential for economic growth and financial stability. Individual investment behavior is influenced by multiple factors, including education, age, and financial awareness. The study emphasizes the need for improved financial literacy to enable informed decision-making.

By adopting proper financial planning and enhancing awareness, investors can optimize returns while minimizing risks, contributing to both personal financial well-being and overall economic development.

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