



## GENDER DISPARITIES IN INVESTMENT ATTITUDES AMONG IT EMPLOYEES IN BENGALURU: A COMPARATIVE STUDY

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### **Abstract**

*Bengaluru is the so-called Silicon Valley in India, and the information technology (IT) industry is a pivotal location in the country, where a multidisciplinary group of professionals come to the city. The paper will analyse the effect of gender on the attitude of IT workers in the city in terms of risk perceptions and investment preference to determine changes. A total of 100 IT professionals were chosen by means of a random sample, and primary data related to the various investment practices were gathered and processed in Microsoft Excel to enable an extensive search of the gender-specific tendency. The results have shown that the risk tolerance level of male IT professionals is higher compared to females hence impacting their decision and strategies to invest differently. The stakeholders such as the policymakers, financial advisors, and IT companies find these insights relevant to them because they should be aware of such differences to provide gender-sensitive financial planning and improve economic outcomes. The findings highlight the need to provide customised financial advice and products to address the unique requirements of men and women in the IT sector in order to provide a more balanced financial landscape in one of the most vibrant sectors of Indian economy.*

**Keywords:** *Gender Difference; Investment Attitudes; Risk Perception; Investment Preferences; Financial Behaviour.*

### **Introduction**

Bengaluru, also known as the Silicon Valley of India, has become the epicentre of the information technology (IT) sector which attracts a diverse workforce that comes in the city, both nationally and internationally. The IT sector plays a significant role in the city economy in terms of the creation of jobs, as well as the financial behaviour and investment habits of the employees. Research into the attitude of these professionals towards investment is critical to a number of stakeholders, such as policymakers, financial advisors and even to the IT organizations themselves. Although it is clearly reported that investment behaviours may have a significant impact on the financial wellbeing and financial mobility of a person, studies have shown that there is a wide difference between genders in terms of investment behaviours. Past research has revealed that men and women might not share risk tolerance, investment decisions and strategies they use. In this regard, this paper aims at going deeper into these gender differences among IT professionals in Bengaluru in order to explain how gender influences investment attitudes among this specific group of consumers. This proportional research will aim at determining and solving gender differences regarding investment attitudes in Bengaluru employees in the IT industry. The study will also help identify the drivers behind investment strategies adopted by male and female IT professionals in an effort to determine how investment can be better applied to this vital group of employees. It is hoped that the results of this research will give valuable information that can help in formulating gender sensitive financial products and advice that will eventually result in fairer economic performance. In addition, knowing the particular requirements and behaviours of the IT professionals in Bengaluru, the financial institutions will have the opportunity to focus on their services meaning they will create a more knowledgeable and secure society in one of the most dynamic economic centres in India.

## Review of Literature

According to Tomar and Tomar (2019), male and female investors have a tendency to follow the equity mode of investment, but women are more conservative and prefer insurance products. Gender wise, there is a bottom line propensity to invest at least in bonds and debentures among other avenues. The analysis also shows that they do not find statistically significant gender and investment decision differences along the array of alternatives.

In their article, Mubarak and Ramesh Olekar (2021) analyze the behavior of investors and their choice of investments in the Indian capital market and focus more on the role of demographic factors in the preferences of the investors regarding a variety of options of investments including derivatives, namely futures and options. The respondents included 487 investors who were surveyed in the selected cities in Karnataka with a convenience sampling design. They found out that about 70 percent of the respondents preferred investment opportunities such as equity shares, mutual funds, pension funds, futures and options which mostly depended on the expectation of capital gains, security, and reduction of risks. The statistics reveal that younger investors have a strong inclination towards futures and options, which is explained by the perceived transparency, high returns which are risk-adjusted and appealing, responsibility coupled with a better understanding of this instrument in India market.

To explore the scope of the investment vehicles that are under the disposal of investors and how it influences the decision-making of the investors, Matharu (2017) conducts the study. The significance of risk-averse behaviour in modern markets is that in spite of the common notion that high risk may lead to high potential returns, risk-averse behaviour is practiced by many players. Though the investors can never eradicate risk, they can lessen the risk through diversifying investments in various asset classes in order to deliver a moderate level of profitability. The study aims at creating a greater awareness of the extent of investment opportunities and the key factors that are paramount in influencing the decisions of individual investment.

Charkha and Lanjekar (2018) explore an investment spectrum and channels, and the factors which determine the choice of an investment, relying on a sample group of 60 salaried workers interviewed in Pune, India through questionnaires. They analyse it as individual investors having the tendency to self-evaluate and identify favourite areas to invest in. It is worth mentioning that employees who earn a wage value security and predictable returns. Despite the general awareness of the respondents of the various investment opportunities present in India, the female investors have relatively lower levels of awareness.

Awais et al. (2016) examined the determinants that affect the process of decision making by the investor. They argue that the decisions made towards investments depend on how risky they perceive it to be. They also infer that a higher degree of financial literacy level and an improved analytical ability will enable investors to interact with risk-taking assets in a more effective manner, thus making more money by optimally managing their portfolios.

Ajmi (J.Y.A.) (2008) undertook a survey in 2008 using a structured questionnaire to determine determinants of risk tolerance among individual investors using a survey of 1,500 individuals. The results indicated that the male respondents showed less risk aversion than the female respondents and that less educated investors were more cautious on risks. In addition, age also proved to be a strong predictor of risk tolerance and rich investors had a greater risk-taking propensity than their poor counterparts.

Shukla (2018) investigated the first investment decision made by salaried people, especially focusing on the impact of education levels. The results also revealed that most of the respondents had their interest on investments that they had a feeling of being safe and with low risks, including home purchase and long term financial instruments. Safety and minimisation of risks were the main standards that governed such investments.

According to C. Sathiyamoorthy and Dr. K. Krishnamurthy (2015), the level of education, age, and the number of family members were cited as salient factors that impact investing decisions. Using chi-square analysis of the data obtained in Tiruvannamalai district, the state of Tamil Nadu, they discovered that the majority of the respondents chose to keep the money in banks as the primary reason they should keep money there due to their security against an uncertain future. The research also illuminated the patterns of investments and awareness of the salaried investors in the region.

Puneet Bhushan (2014) examined the correlation between financial literacy and the concern of financially salaried people towards the financial products. It was conducted among 516 respondents and statistical analysis was done using t -tests and chi-square tests. Findings revealed that more financially literate people were much more knowledgeable about most financial products, except those provided by post-office savings schemes. The results imply that financial literacy is not only effective in increasing product awareness, but it also affects investment choices, that is, less financially literate people prefer investing in the old financial products and neglect new financial instruments that offer a higher potential income.

### **Objectives**

1. To examine the effect of gender to the attitude of investment among the Information Technology workers in Bengaluru with special reference to perception of risk.
2. It further seeks to analyse how gender influences the investment decisions of the IT professionals in Bengaluru.

### **Methodologies**

The main focus of this research is to examine how gender helps to determine the investment attitude of IT workers in Bengaluru. The research uses a random sampling process in order to obtain a representative and diverse sample of 100 participants in the IT workforce. Primary data were obtained directly through respondents on a wide range of variables on investor preference and behaviour. The statistical analysis was performed on the collected data with the help of Microsoft Excel which is a powerful tool that simplifies statistical analysis and visualization of large amounts of data. Such a methodological decision makes a careful study of trends and patterns, according to gender differences within the sample, which strictly examines the data. The overall aim is to offer a comprehensive explanation of how gender disparity is exhibited in investment attitudes hence make a useful contribution in the financial decision making process of men and women IT professionals working in Bengaluru. This study can inform financial advice and shape gender-specific approaches to investments, which eventually leads to financial equity at the workplace.

### **Hypothesis**

Hypothesis 1: The difference in the perception towards risk among male and female Information Technology employees at Bengaluru is significant and it influences their investment attitude.

	Stocks	Risk Perception	Bonds	Risk Perception	Real Estate	Risk Perception	Mutual Funds	Risk Perception	Cryptocurrency	Risk Perception
Male	10	4	15	2	15	3	10	3	6	5
Female	5		5		8		15		4	
Total	15		20		23		25		10	

Male respondents will have a lesser perceived risk in bonds and have a similar perceived risk in mutual funds and real estate when compared to their female counterparts, regardless of whether missing values are equal or higher than reported by the males. On the contrary, female respondents have a greater perception of risk in mutual funds as illustrated in the available information.

The current hypothesis aims at establishing whether the risk perception which is a critical variable in the decision to invest is significantly different among genders among IT professionals in Bengaluru. It tests the hypothesis that gender differences influence the perception of investment risks and the decision to invest depends on the perceived risk in terms of investment risk.

Hypothesis 2: The gender has a substantial effect on investment preferences and investments sources of the IT professionals in Bengaluru.

	Stocks	Bonds	Real Estate	Mutual Funds	Cryptocurrency	Others
Male	25	12	18	18	15	7
Female	20	8	12	17	10	3
Total	45	20	30	35	25	10

	Based on personal Research	Seeking advice from professionals	Recommendations from friends or family	Other
Male	29	19	8	5
Female	11	11	6	3
Total	40	30	15	8

The hypothesis will test the hypothesis as to whether gender has a quantifiable impact on the investment decisions of IT professionals in Bengaluru. The study will determine whether such an effect exists and its strength; hence, assessment of gender as a predictor of investment behavior among this particular professional group is done.

## Analysis

**Table No.1: Gender**

Gender Identification	Number of Respondents	Percentage
Male	51	51%
Female	42	42%
Prefer not to say	7	7%

Gender Identification	Number of Respondents	Percentage
<b>Total</b>	<b>100</b>	<b>100%</b>

This study took 100 samples out of that 51 are male and 42 were they took active participation.

**Table No: 2: Respondents Age**

Age Group	Number of Respondents	Male	Female
Under 25	20	11	9
25-34	30	20	10
35-44	25	12	13
45-54	15	7	8
55 and above	10	4	6
<b>Total</b>	<b>100</b>	<b>54</b>	<b>46</b>

The respondents' ages are roughly 20 for those under 25, 30 for those between 25 and 34, 25 for those between 35 and 44, and nearly 10 for those over 55.

**Table No 3: Employment Status**

Employment Status	Number of Respondents	Male	Female
Full-time	60	35	25
Part-time	15	10	5
Contractual	20	7	13
Other	5	3	2
<b>Total</b>	<b>100</b>	<b>55</b>	<b>45</b>

The age of respondents is centered at 20 years among individuals below the age of 25 years, 30 years between 25 and 34 years old, 25 years between 35 and 44 years old, and around 10 years among the individuals who are above 55 years.

**Table No 4: Respondents year of Experience**

	< 1 year	1-3 yrs	4-6 yrs	7-10 yrs	> 10 years
<b>Male</b>	3	7	11	13	19
<b>Female</b>	5	8	9	12	13
<b>Total</b>	<b>8</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>23</b>

About three men and five women responded that they had less than a year of experience, seven men and eight women had between one and three years of experience, eleven men and nine women had between four and six years of experience, thirteen men and twelve women had between seven and ten years of experience, and men had more than ten years of work experience than women.

**Table No 5: Respondents Risk Factor**

	<b>Very Risk-Averse</b>	<b>Somewhat Risk-Averse</b>	<b>Neutral</b>	<b>Somewhat Risk-Taking</b>	<b>Very Risk-Taking</b>
Male	4	8	9	8	21
Female	3	6	10	15	9
<b>Total</b>	<b>7</b>	<b>14</b>	<b>19</b>	<b>23</b>	<b>30</b>

In terms of risk factor, men will take on a higher level of risk aversion than women, with men taking four and women three, and men taking eight and women six. In terms of neutral risk of investment, men are +9 and women are ten, while men take eight and women slightly more, 15; and men take twenty-one and women nine. In stable states, the majority of risk is assumed by men through investments in speculative financial products.

**Table No 6: Investment Experience**

	<b>&lt; 1 year</b>	<b>1-3 yrs</b>	<b>4-6 yrs</b>	<b>7-10 yrs</b>	<b>&gt; 10 years</b>
<b>Male</b>	3	7	11	17	20
<b>Female</b>	4	7	8	6	10
<b>Total</b>	<b>7</b>	<b>14</b>	<b>19</b>	<b>23</b>	<b>30</b>

There are approximately ten respondents, who are male and who select stocks, in contrast to five respondents, who are female. There are fifteen male and five female respondents who choose bonds. Male respondents are more inclined toward real estate with fifteen people as opposed to female respondents who are more inclined toward mutual funds with eight people. Most of the male respondents choose cryptocurrency, which is an action that shows a bigger perceived risk as compared to other asset classes.

**Table No 7: Investment Avenue**

	<b>Stocks</b>	<b>Risk Perceptio</b>	<b>Bonds</b>	<b>Risk Perceptio</b>	<b>Real Estate</b>	<b>Risk Perceptio</b>	<b>Mutual Funds</b>	<b>Risk Perceptio</b>	<b>Cryptocu rrency</b>	<b>Risk Perceptio</b>
<b>Male</b>	10	4	15	2	15	3	10	3	6	5
<b>Female</b>	5		5		8		15		4	
<b>Total</b>	<b>15</b>		<b>20</b>		<b>23</b>		<b>25</b>		<b>10</b>	

About ten men choose stocks as their investment avenue, while five women choose the same. About fifteen men choose bonds, but five women choose this avenue. Fifteen male respondents say they will invest in real estate, while eight female respondents choose mutual funds. Finally, most men choose cryptocurrency as their venue more often than women. Here, cryptocurrency is seen as having a higher level of risk, followed by stocks, mutual funds, and financial bonds.

**Table No 8: Comfortable In Taking Financial Risk**

	<b>Extremely Comfortable</b>	<b>Comfortable</b>	<b>Neutral</b>	<b>Uncomfortable</b>	<b>Extremely Uncomfortable</b>
<b>Male</b>	10	15	15	10	6
<b>Female</b>	5	5	8	15	4
<b>Total</b>	<b>15</b>	<b>20</b>	<b>23</b>	<b>25</b>	<b>10</b>

This table give us a data of gender wise comfortable n taking financial risk when compare to female the male are taking more financial risk to get good return on their investment and they are extremely comfortable .

**Table No 10: Decisions Regarding Your Investments**

	<b>Based on Personal Research</b>	<b>Seeking Advice From Professionals</b>	<b>Recommendations From Friends or Family</b>	<b>Other</b>
Male	29	19	8	5
Female	11	11	6	3
Total	40	30	15	8

The male respondents especially the male respondents are more likely to do personal research before making investment decisions compared to the female respondents. About nineteen male respondents expressed willingness to consult the professional, and eight male respondents showed that they would consult their family or friends in case of choosing the avenues of investment.

### **Discussion**

The data of survey indicate that there are important demographic predictors of investment behaviour and preference. The tolerance of male respondents to risk (51.5% of the sample) is higher and they tend to hold high-risk assets (equity and cryptocurrencies) compared to female respondents who show a preference towards less risky assets (mutual funds). Age has a salient level of impact with investors below the age of 25 years having less interest with risky securities than those in the age range of 25–34 (greater risk of equities and mutual funds inclination). These trends are also mediated by employment: fulltime workers are more likely to have a diversified portfolio, part-time and contract workers prefer bonds and real estate. The experience with investment also has a significant impact on risk perception; people with a greater experience of more than ten years tend to take a risk and prefer equities and real estate, but the less experienced investors are inclined to invest in mutual funds and bonds. Besides, males are more comfortable with financial risk as compared to females who report to be either discomfort or extreme discomfort with financial risk. The decision-making processes are also different with males being more dependent on personal research as compared to female who consult professional advice and peer and family recommendations. These results highlight the importance of providing financial advice to the needs and preferences of individual demographics and consideration of such variables as gender, age, employment status, and experience.

### **Research Gap**

The existing research does not highlight the areas of investment like start-up businesses, cryptocurrencies, commodities, and other alternative instruments; the future research should focus on them.

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