

A study on Financial Literacy and Personal Investment Behavior of Infosys Employees in Chennai (2024-2025)

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Abstract:

In view of increased financial literacy and the growing significance of making well-informed financial decisions among salaried professionals, this study investigates the degree of financial literacy and individual investment behavior of Infosys employees. The study uses a quantitative research design and is based on primary data that was gathered from Infosys employees using a structured questionnaire. While personal investment behavior is examined through investment participation, preferred investment avenues, risk preference, investment horizon, and monitoring behavior, financial literacy is evaluated through indicators such as awareness of financial concepts, comprehension of investment options, perception of risk and return, and financial knowledge. Basic statistical tools including descriptive statistics, correlation analysis, t-test, chi-square test, and analysis of variance (Anova) are applied to analyze the gathered data. The results show that employees actively participate in investment activities and have an adequate level of financial literacy. They also show a preference for long-term, stable options for investing. Respondents showed a generally moderate risk attitude and a restricted long-term financial planning orientation, despite their awareness of risk-return trade-offs and investment possibilities. The findings reveal that more structured and disciplined investment behavior is linked to greater financial awareness. The report highlights how crucial financial literacy is in influencing IT professionals' individual investing choices. In order to improve informed decision-making, enhance risk management, and promote long-term wealth development among employees, it encourages employers to implement workplace-based financial planning programs, organized financial education initiatives, and ongoing investment awareness campaigns.

Keywords: Financial Literacy, Personal Investment Behaviour, Investment Awareness, Risk Perception, IT Professionals

1. Concept, Importance, and Components of Financial Literacy

Financial literacy is a person's capacity to understand and utilize financial concepts like budgeting, saving, investing, insurance, taxation, and risk–return trade-offs to make informed choices. It includes financial knowledge, attitudes, and behaviors, helping individuals assess financial products and align their decisions with long term objectives such as building wealth and planning for retirement. In today's world, with growing financial complexities and digital financial services, having financial literacy is crucial for managing income, reducing risks, and maintaining financial health.

1.1 Need for Financial Literacy

Financial literacy is essential for salaried workers to manage their income effectively, close the gap between knowing and doing, and handle economic challenges like inflation and accessible credit. It enables better decision-making, risk management, digital finance engagement, fraud protection, and supports long-term financial health

1.2 Influence on Investment Behaviour

Investment behavior is heavily molded by risk perception, income, and financial awareness. Risk perception guides investment decisions; income influences the ability to invest, while awareness boosts confidence and promotes rational choices, resulting in improved financial results.

1.3 Statement of the Problem

Despite secure wages, many IT professionals lack appropriate financial literacy, leading in poor investment decisions and underutilization of financial resources. This study assesses financial literacy levels among Infosys employees in Chennai and investigates the impact on their investment behaviour.

1.4 Theoretical Framework

The study is based on behavioural theories such as the Theory of Planned Behaviour, Prospect Theory, Dual-Process Theory, and Self-Efficacy Theory. Together, these describe how attitudes, social factors, perceived control, cognitive biases, and confidence influence financial decision-making and investment behaviour.

1.5 Significance of the Study

The study benefits employees by educating financial awareness, organizations by supporting employee well-being initiatives, and financial advisors by offering visions into investor behaviour.

1.6 Objectives

- To analyze the investment preferences and participation patterns of employees.
- To examine the influence of age on financial knowledge and investment behaviour.
- To examine the association between financial knowledge and confidence in investment decision-making.

1.7 Scope of the Study

The study focuses on financial literacy and investment behaviour of Infosys employees, utilizing primary data. The conclusions are confined to the selected sample and exclude larger economic influences.

2 Scholarly Review

Financial literacy is a significant predictor of individual investment behaviour, especially among salaried and IT workers, according to existing studies. Researchers **Tandan and Hrulekha (2025)** and **Shukla (2025)** discovered that whereas people with lesser financial literacy often rely on traditional assets like fixed deposits, those with higher financial literacy

pick market-linked instruments and have better portfolio variety. In a similar vein, **Bhushan (2014) and Nalini et al. (2016)** contend that financial literacy enhances the capacity to evaluate risk-return trade-offs and enables well-informed, goal-oriented investment choices. Financial awareness and investment behaviour are significantly correlated, with a general preference for secure and liquid assets, according to research on IT workers, including **Vasawambal and Deepa (2019) and Gupta (2023)**. **Kanagasabai and Aggarwal (2020)**, however, expand on this notion by showing that risk tolerance functions as a mediating element, with financially savvy people being more prepared to take calculated risks, which improves investment outcomes. The literature is further enhanced by behavioural elements. In line with Behavioural finance theories, **Chinta Shriya et al. (2025)** confirm that financial attitude and behaviour strongly affect the association between literacy and investment decisions. In addition, research by **Cletus and Jesurajan (2024) and Stephen and Jose (2024)** show that biases like the knowledge–action gap and disposition effect exist among IT workers, suggesting that awareness by itself does not always result in sensible financial conduct.

Furthermore, new studies emphasize the impact of social and digital factors. **Kumari et al. (2025) and Gautam et al. (2025)** show how social media and fintech platforms affect investing involvement, occasionally promoting herd mentality and speculative choices. The need for targeted, organization-specific research is justified by the literature's overall confirmation of a positive but complicated association between financial literacy and investment behaviour, which is influenced by demographic, psychological, and technical factors.

3 RESEARCH METHODOLOGY

The study adopts a Descriptive and Analytical Research Design to systematically examine financial literacy and investment behaviour of Infosys employees.

3.1 Analytical Component

The analytical method assesses how variables relate to one another. Inferential statistics are used to evaluate hypotheses about how age and monthly income affect investment confidence and financial awareness. The Pearson Correlation is used to evaluate the connections between decision-making autonomy and financial knowledge.

3.2 Quantitative Approach

Using techniques like the Independent Samples t-test and One-Way ANOVA (F-statistics), a quantitative approach guarantees objectivity and statistical rigor. Problem identification, literature review, hypothesis formulation, questionnaire design, data collection, and statistical analysis utilizing Excel ToolPak are all steps in the process. Additionally, a sample of 71 respondents was used for the analysis, quantification, and deduction of the study.

3.3 Sources of Data

- **Primary Data:** Collected from 71 Infosys employees using a structured questionnaire with 25 parameters covering demographics, financial literacy, and behaviour.
- **Secondary Data:** Includes Infosys financial reports (2022–2025), financial metrics (Net Profit, EBIT, etc.), and academic literature.

3.4 SAMPLING DESIGN

- **Target Population:** Infosys employees, Chennai
- **Sampling Unit:** Individual employees
- **Sampling Technique:** Non-probability convenience sampling

Category	Component	Details
Period of the Study	Primary Data	Academic Year 2025–26
	Secondary Data	Financial Years 2022–23 to 2024–25
Research Variables	Independent Variables	Age, Gender, Income, Experience, Investment Status, Subjective Financial Knowledge
	Dependent Variables	Financial Literacy Score, Investment Confidence, Investment Behaviour, Continuous Learning Intent

4 Analysis and Interpretation

Objective 1: To analyze the investment preferences and participation patterns of employees (Financial Knowledge)

Particulars	Investment	Financial Knowledge
Mean	1.901408451	3.732394366
Variance	0.347283702	0.827364185
Observations	71	71
Hypothesized Mean Difference	0	
df	120	
t Stat	-14.2350936	
P(T<=t) one-tail	7.71403E-28	

Objective 2: To examine the influence of age on financial knowledge and investment behaviour.

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	164.525150	7	23.5035929	54.61020348	3.19215E-36	2.078587598
Within Groups	57.6720328	13	0.4303883			
Total	222.1971831	141				

Objective 3: To examine the association between financial knowledge and confidence in investment decision-making.

Variables	Self-Assessed Literacy	Confidence Level
Self-Assessed Literacy	1	
Confidence Level while investing	0.684227108	1

Combined Interpretation

Objective	Statistical Test & Key Results	Interpretation	Inference in Context of Study

<p>Objective 1: Analyze investment preferences and participation patterns (Investors vs Non-investors – Financial Knowledge)</p>	<p>t-test: Mean (Investment Status) = 1.90, Mean (Financial Knowledge) = 3.73; $t = -14.23$; $p\text{-value} = 7.71E-28 (<0.05)$</p>	<p>The extremely low p-value indicates a statistically significant difference in financial knowledge between investors and non-investors. Investors exhibit higher financial knowledge compared to non-investors.</p>	<p>This confirms that financial literacy directly influences investment participation among Infosys employees. Employees with better knowledge are more likely to engage in investment activities, highlighting the importance of literacy in transforming income into active financial behaviour.</p>
<p>Objective 2: Examine the influence of age on financial knowledge and investment behaviour</p>	<p>ANOVA: $F = 54.61 > F \text{ crit} = 2.08$; $p\text{-value} = 3.19E-36 (<0.05)$</p>	<p>The high F-value and near-zero p-value indicate a significant variation in financial knowledge across age groups. Financial literacy levels differ meaningfully depending on age.</p>	<p>This suggests that age is a critical determinant of financial awareness and behaviour. In the Infosys workforce, experience and lifecycle stage influence investment understanding, implying that younger employees may require targeted financial education compared to older cohorts.</p>
<p>Objective 3: Examine association between financial knowledge and investment confidence</p>	<p>Correlation (r) = 0.684</p>	<p>A strong positive correlation exists between financial literacy and investment confidence. As financial knowledge increases, confidence in decision-making also rises.</p>	<p>This establishes that financial literacy enhances self-efficacy in investment decisions, enabling employees to act independently and make informed choices, which is crucial in a digitally driven financial environment.</p>

5. Conclusion

The current study offered important empirical insights by examining the connection between personal investment behaviour and financial literacy among Infosys employees in Chennai. The findings reveal that financial literacy plays a decisive role in shaping investment participation, confidence, and decision-making. A statistically significant difference between investors and non-investors was confirmed by the t-test results, suggesting that people with greater financial literacy are more likely to actively invest. This is consistent with earlier research like Bhushan (2014) and Shukla (2025), which highlight the importance of financial literacy in facilitating well-informed investing decisions.

Additionally, the ANOVA results showed that age has a substantial impact on financial knowledge, which supports the findings of Vasawambal and Deepa (2019), who discovered that investment behaviour is influenced by demographic characteristics. The correlation study showed a substantial positive link ($r = 0.684$) between investment confidence and financial knowledge, supporting Behavioural viewpoints that financial awareness and attitude improve decision-making capacity (Chinta Shriya et al., 2025).

According to Cletus and Jesurajan (2024), the study also shows a moderate risk appetite and preference for conventional, stable investing avenues despite sufficient information, suggesting the existence of a knowledge–action gap.

5.1. Suggestions:

- **For Government:** Promote nationwide financial literacy initiatives and integrate financial education into academic curricula to build early awareness.
- **For Organizations (Infosys):** Implement workplace financial wellness programs, investment training sessions, and digital financial awareness campaigns to enhance employee decision-making.

5.2. Limitations of the Study:

The study's generalizability is constrained by its sample size of 71 respondents from a single company (Infosys, Chennai). Bias may be introduced by relying on self-reported data and convenience sampling. Furthermore, neither actual investment returns nor macroeconomic factors are taken into consideration in the analysis. Overall, the study shows that among IT workers, financial literacy is a key factor in their logical and self-assured investment behaviour. Increasing financial literacy promotes economic stability and sustainable wealth generation in addition to improving personal financial well-being.

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