

# Financial Planning and Investment Decision Strategy among the IT Women Professionals

B. Padmaja<sup>1</sup>; Dr.C.Kathiravan<sup>2</sup>

<sup>1</sup>Doctoral Research Scholar, Department of Business Administration, Annamalai University,  
Chidambaram, Tamil Nadu

<sup>2</sup>Associate Professor, (Corresponding Author) Department of Business Administration,  
Annamalai University, Chidambaram, Tamilnadu

## **Abstract:**

*India Women's contributions to the family, business, and society are now being acknowledged in financial planning. When the career paths of contemporary women in the information technology sector. The purpose of this study is to demonstrate the circumstances that lead a female employee to take a career hiatus. The purpose of this study is to shed light on the career advancement of female employees in the information technology sector. Women's participation in economic activities is increasing, as is their role in investment decisions. Her voice in investing decisions is growing more prominent as a result of her increased education, work, and financial contributions to the family. When it comes to investing, the role of a woman's husband becomes critical. The purpose of this study is to ascertain the relationship and influence of Financial Planning and Investment Decision Strategy on Hyderabad's IT Women Professionals. Financial Planning serves as the independent variable for this purpose, while its sub variables include cash and money management, insurance preparation, investment planning, and tax preparation. Investment Decision Strategy is a dependent variable, and its sub variables include Rational, Intuitive, Dependent, Avoidant, and Spontaneous. This study is descriptive in nature, and data will be collected using a questionnaire distributed to 409 employees of Hyderabad's IT Women Professionals. Multiple regression analysis will be employed to conduct the analysis in this study. We concluded from the outcomes of this study that there is a favourable association and a significant influence on the financial planning and investment strategy of IT women employees in Hyderabad.*

**Key Words:**Financial Planning, Investment Decision Strategy, IT women professionals

## **1. Introduction:**

India has emerged into a significant player in the global software sector. Thousands of new employment has been created as international software corporations establish branch operations in India and countless domestic start-up firms focus on software development. As a result of this process, a rising number of Indian women have entered the labour force, got educational training in software development, and found work in the software sector. As more Indian women join the fast growing **Information Technology (IT)** workforce, it is reasonable to assume that their active

participation in this sector will improve their socioeconomic position within the employing business and the communities in which they live. Women's engagement in the professional realm is frequently considered to contribute to the disintegration of traditional gender norms. **Shankar (2008)** attempted to analyse Indian women's 'new identities' in the information and communication technology industries. The study evaluated women's employment in this emerging economic sector, as well as the impact on their family lives and social growth. The survey discovered that women spend less time networking informally with their co-workers, while men stated that networking is a strategy for job advancement. While the Information and Communication Technology Industry provides various direct benefits to women, the family lives of highly educated women have remained largely unchanged by patriarchal interactions and domesticity. This study determined that women's employment in India's information and communication technology industries is transitory, having emancipatory powers in the public sector but not in the private sector.

**Financial planning** is crucial because it enables us to accomplish our long-term goals. Each individual should understand the critical nature of financial planning on an individual basis financial management. Financial planning is the process of arranging and managing your money (your finances) in order to accomplish your life goals. Your current financial status refers to everything that constitutes your money in the present, including your income, expenses, savings, assets, and liabilities. Obtaining a higher education, owning a home, saving for retirement, and saving for marriage/educational children are all possible life goals. It is vital to manage your Financial planning on an individual basis finances effectively and timely in order to achieve financial security and produce income throughout your life.

**Phillips, Paziienza, and Ferrin (1984)** characterized an investment decision-making strategy as a situation that incorporates an individual's approach, strategy, reaction, and action. Decision making can be defined as the process of selecting a certain investment opportunity from a pool of possibilities. It is a process that occurs after a careful analysis of all available alternatives (**Mathews, 2005**). **Thunholm (2004)** defined decision making strategy as the pattern of an individual's responses in a decision-making situation. This reaction pattern is influenced by the decision-making situation, the decision-making task, and the particular decision-maker. Individual differences in decision-makers encompass not only behavioral differences but also fundamental cognitive abilities such as information processing, self-evaluation, and self-regulation, all of which have a consistent effect on the response pattern across a range of decision-making tasks and situations.

## **2. Review of Literature;**

(**Firli, 2017**) conducted qualitative study using a comprehensive literature review to ascertain the elements that impact "Financial Planning: A Conceptual Framework." The analysis revealed that the

majority of the cited literature examines five factors that affect financial planning: Financial planning on an individual basis socio-demographic characteristics, financial knowledge, financial behaviour, financial attitude, and financial training.

**(Boon, 2011)** conducted a study to learn about "Financial Planning and Financial planning on an individual basis Financial Planning in Klang Valley, Malaysia" by collecting primary data via questionnaires and surveys, examining relationships using the cross tabulation method, and concluding that there is still a knowledge gap at the individual level when it comes to setting financial goals and concentrating on financial planning.

To get a better understanding of how investors make investment decisions, researchers have created a variety of hypotheses. Individual investor decision-making is rarely addressed in utilitarian-based investment decision-making processes. According to utility-based theories, individuals optimise their utility based on conventional wealth criteria, choosing between consumption and investment over time **(Merikas et al. 2003)**.

According to **Sikavica et al. (1999)**, decision-making is a lengthy process that results in a decision. The same authors continue by stating that decision-making is a 'process' that can take a short or long time and involves making a 'choice' between at least 'two or more options,' with the goal of resolving the 'issue' that prompted us to make a decision in the first place. According to **Kaleem (2009)**, an investor's investment strategy is influenced by his or her age, income, gender, and education.

**(1995, DeBondt&Thaler)** Financial markets are critical for investment decision-making, and investor behaviour differs according on their prospective behavioural fiancé. Generally, investors respond over or under to price fluctuations based on historical trends in the script and news about an investor's product or service, and are less likely to rely on a stock's fundamentals.

### **3. RESEARCH METHODOLOGY**

#### **3.1 Research Design:**

The study employs a research design that is guided by the investigation's aims and the outcome's emphasis. The researcher conducts the investigation using a descriptive research approach. A descriptive research study seeks to describe the traits and characteristics of a person or a group. The research design describes the current condition of affairs. The study examines financial planning and investment decision-making strategies for female IT employees, with a focus on an IT company in Hyderabad. The study examines the current situation of financial planning and investment decision-making among female IT workers.

### Objectives of the Study:

- To investigate the investor behavior and financial planning of Hyderabad-based IT women professionals.
- To ascertain the divergences of view among IT Women Professionals in Hyderabad on financial planning and investment decision-making strategy.
- To assess the impact of financial planning on investment strategy formulation.

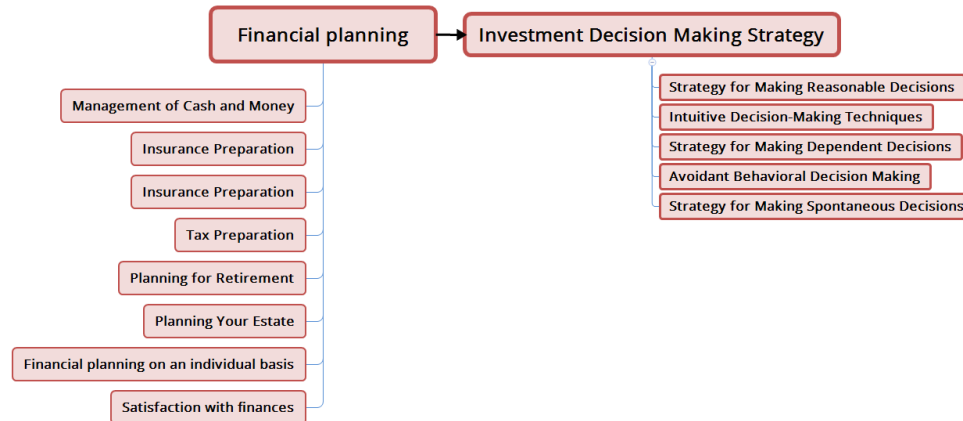


Figure 1: Framework of the research

### Hypotheses of the Study:

- There is no statistically significant variation in attitudes toward financial planning among IT Women Professionals in Hyderabad based on demographic characteristics.
- There is no discernible variation in attitudes about investment decision making strategy amongst IT Women Professionals employees in Hyderabad based on demographic characteristics.
- Financial planning has no effect on the Investment Decision Making Strategy.

### 3.2 Data Collection:

The researcher collected primary data from IT women professional’s employees using a well-structured questionnaire. The questionnaire is divided into three sections; the first section provides a demographic profile of the personnel. The second section covers financial planning, while the third section covers Investment Decision Making Strategy.

### 3.3 Reliability Analysis:

Additionally, reliability analysis was used to determine the dependability of the criteria listed above. To be regarded satisfactory, the dependability range of 0.85 to 0.87, which fulfils Cronbach's alpha, should be at least 0.70.

**Table 1: Reliability Analysis**

S.No.	Variable	Item	Cronbach's Alpha
I	Financial planning	39	0.87
II	Investment Decision Making Strategy	25	0.85

**3.4 Sampling Technique:**

The study employed the sample process probability model. The questionnaire's receiver was chosen using a simple random sampling. This data gathering procedure is straightforward and affordable. The method was based on equal opportunity in order to discover eligible female information technology experts. Employees are recruited by introduction. This inspection procedure was developed expressly for this study to assure the presence of female IT workers.

**3.5 Sample Size:**

Totally 438 questionnaires were distributed. 425 questionnaires were received. 13 questionnaires were not received. Out of 425 received questionnaires 409 were eligible and the remaining 16 were with flaws. Hence, the sample strength was 409.

**4. Data Analysis:**

The path analysis technique is used to determine the independent factors that affect the dependent variable. Financial Planning was used as an independent variable in this research. Investment Strategy is regarded as a dependent variable.

**REGRESSION ANALYSIS**

**Table 2: Impact of dimensions of Financial Planning on Strategy for Making Reasonable Decisions of Decision Making Strategy**

Independent Variable	Dependent Variable	R	R <sup>2</sup>	Adj. R <sup>2</sup>	F	p
Management of Cash and Money, Insurance Preparation, Planning Your Investments, Tax Preparation, Planning for Retirement, Planning Your Estate, Financial planning on an individual basis, Satisfaction with finances	Strategy for Making Reasonable Decisions of Decision Making Strategy	0.985	0.966	0.964	2251	0.001

Source: primary data

The influence of financial planning elements on the Strategy for Making Reasonable Decisions for decision making strategy among IT women professionals' workers is shown in Table 2. This table forecasts and summarises eight critical components of financial planning, including cash-flow management, Insurance Preparation, Planning Your Investments, Tax Preparation, Planning for Retirement, Planning Your Estate, and Financial planning on an individual basis and Satisfaction with finances. Financial planning variables such as Management of Cash and Money, Planning Your Investments, and Tax Preparation are very effective for eight IT women professionals' workers, but Insurance Preparation, Planning for Retirement, Planning Your Estate, and Financial planning on an individual basis and Satisfaction with finances are less effective. In reality, factors such as Insurance Preparation, Planning for Retirement, Planning Your Estate, and Financial planning on an individual basis and Satisfaction with finances have little bearing on the Strategy for Making Reasonable Decisions for decision making strategy.

The coefficient of determination  $R^2$  is the square of the product moment interactions.  $R^2$  increases in proportion to the value of R.  $R^2$  adjusted to be smaller than  $R^2$  will always be less than  $R^2$ . If the difference between adjusted and unadjusted  $R^2$  is modest, the model is good. As a result, the following hypothesis was developed to corroborate this stance.

***HO: Financial planning variables have little effect on the Strategy for Making Reasonable Decisions for decision making strategy of IT women professionals' personnel.***

Management of Cash and Money, Insurance Preparation, Planning Your Investments, Tax Preparation, Planning for Retirement, Planning Your Estate, and Financial planning on an individual basis and Satisfaction with finances have an R value of 0.985 and an  $R^2$  value of 0.966, respectively, indicating a 96.6percent prediction of the Strategy for Making Reasonable Decisions of Decision Making Strategy. The corrected adjusted  $R^2$  of 0.964 is quite near to the  $R^2$  value, since the difference is only 0.002; hence, the sample size approaches that of the population. At the 0.001 threshold of significance, the F-value of 2251 is significant. As a result, the regression equation below was created.

**Table 3 Co-efficient table**

S.No.	Model	Un-standardized Coefficients		Standardized Coefficients	t	p
		B	Std. Error	Beta		
	Constant	0.07281	0.05962		1.366	0.219
1	Management of Cash and Money	1.11471	0.02328	0.99926	78.398	< .001
2	Insurance Preparation	0.00177	0.01161	0.00169	0.146	0.887
3	Planning Your Investments	1.09483	0.01928	0.99726	77.398	< .001

4	Tax Preparation	1.01481	0.01423	0.99226	76.998	<.001
5	Planning for Retirement	-0.01760	0.01512	-0.01490	-1.265	0.207
6	Planning Your Estate	-0.00292	0.00957	-0.00348	-0.235	0.817
7	Financial planning on an individual basis	-0.01815	0.01221	-0.01305	-1.173	0.241
8	Satisfaction with finances	0.00970	0.02160	0.01168	0.546	0.784

Source: primary data

Strategy for Making Reasonable Decisions of Decision Making Strategy = (0.07281) + Management of Cash and Money (1.11471) + Insurance Preparation (0.00177) + Planning Your Investments (1.09483) + Tax Preparation (1.01481) - Planning for Retirement (0.01760) - Planning Your Estate (0.00292).-Financial planning on an individual basis (0.01815) + Satisfaction with finances (0.00970)

The 'beta' value of Management of Cash and Money of Financial Planning is 0.99926, which indicates a 99.926 percent effect of Management of Cash and Money of Financial Planning on the Strategy for Making Reasonable Decisions of Decision Making Strategy. The t-value of 78.398 indicates that the standardised regression coefficient is significant at a p-value of 0.001. Thus, the Management of Cash and Money of Financial Planning validates the influence on the Strategy for Making Reasonable Decisions of Decision Making Strategy among workers of IT women professionals

Insurance Preparation of Financial Planning's beta value of 0.00169, which reflects a 0.169percent influence on the Strategy for Making Reasonable Decisions of Decision Making Strategy, falls on the slope of the regression line. The t-value of 0.146 indicates that the standardised regression coefficient is not significant at a p-value of 0.887. Thus, Insurance Preparation and Financial Planning demonstrate that they have no effect on the Strategy for Making Reasonable Decisions of Decision Making Strategy of IT women professionals' personnel.

The 'beta' value of Planning Your Investments of Financial Planning is 0.99726, which corresponds to a 99.726 percent influence of Planning Your Investments of Financial Planning on the Strategy for Making Reasonable Decisions of Decision Making Strategy. The t-value of 77.398 indicates that the standardised regression coefficient is significant at a p-value of 0.001. As a result, the Planning Your Investments of Financial Planning validates the influence on the Strategy for Making Reasonable Decisions of Decision Making Strategy among employees of IT women professionals.

Tax Preparation of Financial Planning's beta value of 0.99226, which reflects a 99.226 percent influence on the Strategy for Making Reasonable Decisions of Decision Making Strategy, falls on the slope of the regression line. The t-value of 76.998 indicates that the standardised regression coefficient is significant at a p-value of 0.001. Thus, the influence of Tax Preparation and

Financial Planning on the Strategy for Making Reasonable Decisions of Decision Making Strategy of IT women professionals' workers is confirmed.

Planning for Retirement of Financial Planning's 'beta' value of -0.01490, which reflects a -1.490 percent influence on the Strategy for Making Reasonable Decisions of Decision Making Strategy, falls on the slope of the regression line. The t-value of -1.265 indicates that the standardised regression coefficient is not significant at a p-value of 0.207. Thus, Planning for Retirement of Financial Planning demonstrates that it has no effect on the Strategy for Making Reasonable Decisions of Decision Making Strategy of IT women professionals' employees.

The 'beta' value of Planning Your Estate of Financial Planning is -0.00348, which corresponds to a -0.348 percent influence on the Strategy for Making Reasonable Decisions of Decision Making Strategy by Planning Your Estate of Financial Planning. The t-value of (-0.235) indicates that the standardised regression coefficient is not significant at a p-value of 0.817. Thus, Planning Your Estate and Financial Planning both confirm that they have no effect on the Strategy for Making Reasonable Decisions of Decision Making Strategy of IT women professionals' personnel.

Financial planning on an individual basis of Financial Planning's 'beta' value of -0.01305, which reflects a -1.305 percent influence on the Strategy for Making Reasonable Decisions of Decision Making Strategy, falls on the slope of the regression line. The t-value of -1.173 indicates that the standardised regression coefficient is not significant at a p-value of 0.244. Thus, Financial planning on an individual basis Financial Planning demonstrates that it has no effect on the Strategy for Making Reasonable Decisions Decision Making Strategy of IT women professionals' personnel.

The 'beta' value of Satisfaction with finances of Financial Planning is 0.00168, which corresponds to a 0.168 percent effect of Satisfaction with finances of Financial Planning on the Strategy for Making Reasonable Decisions of Decision Making Strategy. The t-value of 0.546 indicates that the standardised regression coefficient is not significant at a p-value of 0.784. Thus, Satisfaction with finances with Financial Planning demonstrates that it has no effect on the Strategy for Making Reasonable Decisions for Decision Making Strategy of IT women professionals' personnel.

#### **4.1. Findings**

The investigation revealed that Management of Cash and Money, Planning Your Investments, and Tax Preparation all had a favorable effect on the Strategy for Making Reasonable Decisionse for decision making strategy. Bhat and Dar (2012) observed that school leaders demonstrated lower levels of Insurance Preparation, Planning for Retirement, Planning Your Estate, Financial planning on an individual basis and Satisfaction with finances. Additionally, they noticed a high frequency of collaborative and compromise techniques, followed by pushing and smoothing. Only Management of Cash and Money, Planning Your Investments, and Tax Preparation, according to Deene and Pathi (2013), mediate the link between distributive and procedural fairness and Strategy for Making



Reasonable Decisions decision-making strategy. Additionally, the investigation discovered that Insurance Preparation, Planning for Retirement, Planning Your Estate, Financial planning on an individual basis and Satisfaction with finances with Financial Planning all had a little effect on the Strategy for Making Reasonable Decisions of Decision Making Strategy of IT women professionals' workers. Arti, Julee, and Sunita (2011); Alleyene and Broome (2010); Kabra, Mishra, and Dash (2010); Kumar Vijayabanu and Amudha (2012); KabirAbdulkadarMansuri (2020); and Ana Cristina Silva, L. (2017) identified a correlation between Financial Planning and Decision Making Strategy.

The investigation revealed that Management of Cash and Money, Insurance Preparation, Planning Your Investments, and Tax Preparation, as well as Satisfaction with finances, all had a beneficial effect on the Intuitive of Decision Making Strategy. Bhat and Dar (2012) observed that school leaders demonstrated less frequently Planning for Retirement, Planning Your Estate, and Financial planning on an individual basis Planning. Additionally, they noticed a high frequency of collaborative and compromise techniques, followed by pushing and smoothing. According to Deene and Pathi (2013), only Management of Cash and Money, Insurance Preparation, Planning Your Investments, and Tax Preparation, as well as Satisfaction with finances, mediate the link between distributive and procedural fairness, as well as Intuitive of Decision Making Strategy. Additionally, the investigation determined that Planning for Retirement, Planning Your Estate, and Financial planning on an individual basis Financial Planning had no effect on the Intuitive Decision Making Strategy of female IT professionals' workers. Arti, Julee, and Sunita (2011); Alleyene and Broome (2010); Kabra, Mishra, and Dash (2010); Kumar Vijayabanu and Amudha (2012); KabirAbdulkadarMansuri (2020); and Ana Cristina Silva, L. (2017) identified a correlation between Financial Planning and Decision Making Strategy.

## **5. SUGGESTIONS:**

- Parents should instill a sense of financial Planning in their children. Children should be taught the value of saving early in life. Wherever feasible, they should be provided the chance to acquire entrepreneurial skills by participation in such activities in schools, society, and communities. Additionally, it is critical to discuss money issues with children at home.
- The primary issue in India today is keeping women out of household financial choices. A sizable proportion of women educated and uneducated alike abstain from financial decisions and leave financial planning to men. Special programs must be developed to teach women about financial independence through seminars and workshops in villages and towns, with a particular emphasis on retirement and long-term care preparation.

## 6. CONCLUSION:

The findings of this study represent a novel attempt to investigate an obvious yet overlooked association between financial planning and investment decision strategy among IT women professionals in Hyderabad. As Alleyene, P., & Broome, T. (2010) imply, a relationship between Financial Planning and Investment Decision Strategy has been identified. Corporations in the information technology sector should take numerous measures to teach their staff on financial planning, investment decisions, and a variety of other instruments for personal finance management. Investment decisions should be made on the basis of an individual's financial plans and goals, which are established in accordance with the individual's future financial requirements, rather than a casual approach based on advice from friends and family. To properly implement a financial plan, one must be financially literate and have an investment strategy that is consistent with one's financial aims and aspirations. Investors may also seek the guidance of a professional financial planner in order to accomplish their investment objectives.

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