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A Study on Investment Behavior of Corporate Professionals Towards Mutual Funds

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Abstract:
This study examines how corporate professionals invest in mutual funds using a descriptive research design. It uses information from 136 respondents that has been analyzed using SPSS and a number of statistical tests to investigate awareness, risk preferences, and decision-making factors. The results indicate a preference for mutual funds and Systematic Investment Plans (SIPs) as safer, goal-oriented substitutes for conventional investments. Long-term returns, liquidity, and tax advantages are important considerations, but market risks are still a worry. To increase investor confidence and promote disciplined investing, the study recommends enhancing financial literacy, providing tailored advice, and streamlining platforms.

1. INTRODUCTION

This study investigates how corporate professionals invest in mutual funds. Mutual funds are becoming more and more popular because of their potential returns, professional management, and diversification, which makes them perfect for salaried people who are concerned about their financial situation. Perception of risk, expected returns, financial literacy, and personal objectives are important determinants. Their allure is increased by tax-saving features like ELSS and Systematic Investment Plans (SIPs). In order to help financial institutions, employers, and legislators who want to increase financial security and literacy, the study intends to comprehend the motivations and satisfaction levels of professionals.

2. OBJECTIVES

- To analyze the perception of corporate professionals towards mutual funds
- To identify the saving and investment avenue preferences of mutual fund corporate professionals
- To study the level of preference towards mutual fund products with respect to the time horizon, risk, and return perception
- To identify the satisfaction level of corporate professionals towards mutual funds

3. SCOPE

This study examines how corporate professionals invest in mutual funds, paying particular attention to their preferences, risk tolerance, and decision-making criteria. It looks at the difficulties faced by investors as well as the effects of tax benefits, market trends, fund performance, and financial literacy. The results are intended to help policymakers, mutual fund companies, and financial advisors improve their educational programs and strategies to increase mutual fund participation.

4. REVIEW OF LITRRATURE

Kumar V & Iyer R (2024). The study emphasizes how features like SIPs, real-time tracking, and personalized recommendations have made investing easier with fintech platforms and mobile apps, increasing participation. Additionally, it emphasizes how crucial digital financial literacy is to improving investment results.

Mehta S (2023) investigates how corporate employees' preferences for investing in mutual funds are influenced by demographic factors. According to the study, older workers prefer debt-oriented mutual funds for capital protection, while younger professionals typically favor equity mutual funds because they have longer investment horizons and a higher risk tolerance. Age, income, education, and occupation are important factors that affect preferences.

Das A & Verma P (2022) investigate how working professionals' decisions to invest in mutual funds are influenced by behavioral factors. According to the study, characteristics like loss aversion, herd mentality, and overconfidence have a big impact on investment decisions. Even with financial literacy, there is a disconnect between knowledge and practice since many professionals rely more on market trends and peer pressure than on critical judgment.

Singh R. & Sharma M. (2021) look into how corporate workers in metropolitan India view and understand mutual funds. According to the study, although digitalization has increased awareness generally, many professionals still lack the in-depth knowledge necessary to make wise decisions. Risk tolerance, tax advantages, and the ease of use of digital platforms are important determinants of investment decisions.

Ul-Hameed et al. (2019) investigated the variables affecting investor perceptions and decisions regarding mutual fund investments. Although many investors believe mutual funds offer low risk, low returns, and limited liquidity, the study found that risk, return, and liquidity are what drive investment interest. Furthermore, there is a mediating effect of investor perception between these variables and actual mutual fund investment.

5. RESEARCH METHODOLOGY

The methodology used in this study was a descriptive research design. Using the Morgan Table, 136 trainees were chosen through purposive sampling from a population of 210. Data was collected from the participants using a structured questionnaire that included Likert scale questions. Non-parametric tools such as the Kruskal-Wallis H-Test and Spearman's Rank Correlation were employed for analysis because the Kolmogorov-Smirnov normality test did not reveal that the data was normally distributed.

6. DATA ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

Table 1: Demographic profile of respondents

Categories	Sub categories	No. of respondents	rcentage (%)
Age	18-25 years	19	14
	26-35 years	78	54.4
	36-45 years	27	19.9
	45-55 years	8	5.9
	55 and above	4	2.9

Gender	Male	104	76.5
	Female	32	23.5
Qualification	Diploma	4	2.9
	Bachelor's Degree	69	50.7
	Master's Degree	53	39
	P.H.D	10	7.4
Income	Below 30000	8	5.9
	30000-50000	32	23.5
	50000-100000	68	50
	100000-200000	17	12.5
	Above 200000	11	8.1
Experience	Less than 1 year	10	7.4
	1-3 years	54	39.7
	4-6 0y ears	50	36.8
	7-10 years	14	10.3
	More than 10 years	8	5.9
Total	**All categories**	**136**	**100.00**

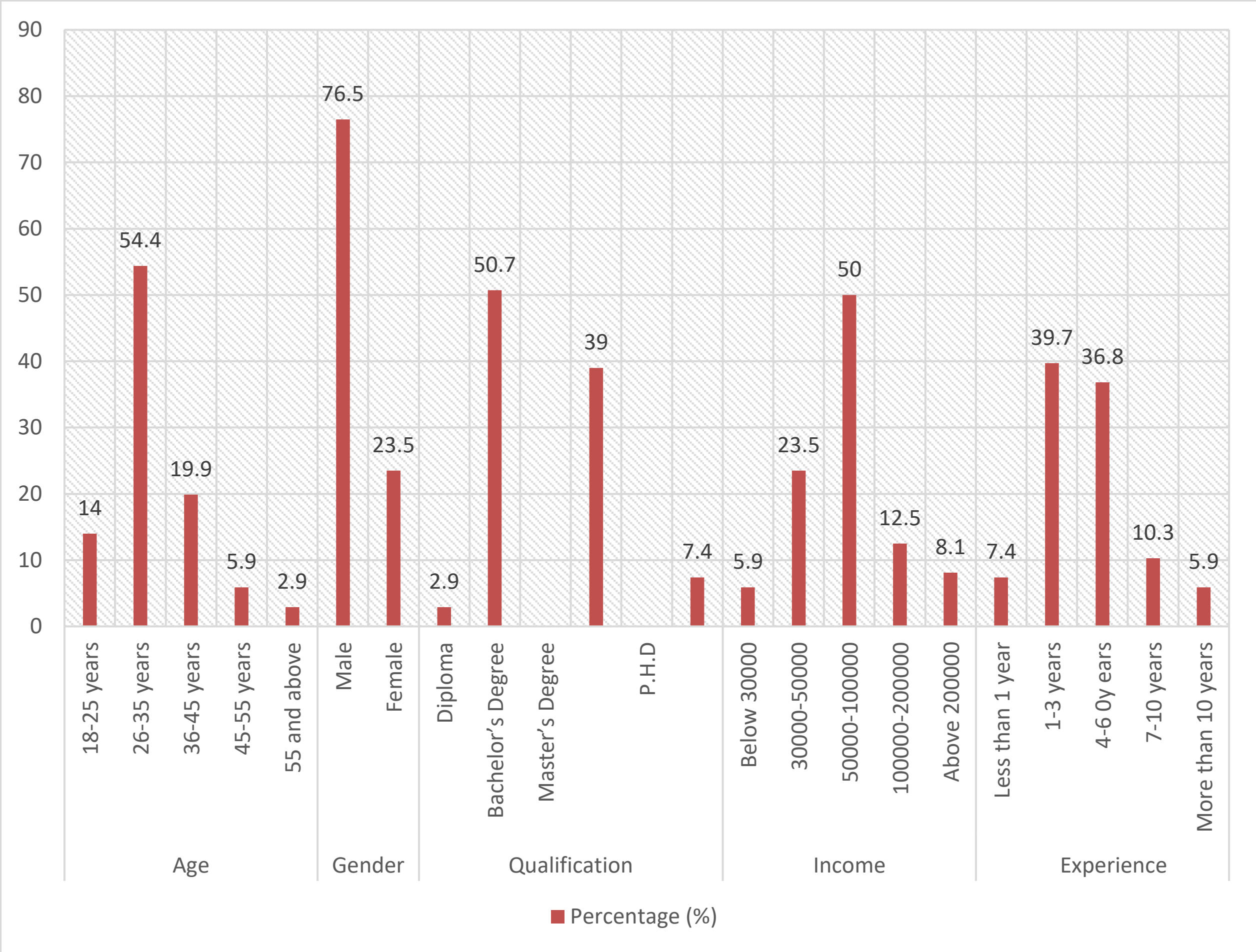
7. FINDINGS

The majority of the 136 respondents (54.4%) are between the ages of 26 and 35, followed by those between the ages of 36 and 45 (19.9%) and 18 and 25 (14%). The older age groups have fewer respondents. With 50.7% of the sample having a bachelor's degree, 39% having a master's, and 7.4% having a doctorate, the sample is well-educated and primarily male (76.5%). A young, mid-level professional group is indicated by the fact that half of the respondents make betw3een ₹50,000 and ₹100,000 per month and that the majority (76.5%) have one to six years of work experience.

8. INFERENCE

- Those between the ages of 26 and 35 make up the majority of respondents (54.4%)
- The majority of respondents (76.5%) are Male.
- The majority of respondents (50.7%) are bachelor's degree.
- The majority of respondents (50%) are 50000-100000 income.
- Most respondents (39.7%) have one to three years experience.

Figure 1: Demographic profile of respondents



9. SPEARMAN'S RANK CORRELATION

Null Hypothesis H0: The variables are not correlated with each other.
Alternative Hypothesis H1: The variables are correlated with each other.

Table 2: Showing spearman's rank correlation.

Correlations				
			Analyze the perception of corporate professionals towards mutual funds.	Level of preference towards mutual fund products with respect to the time horizon, risk, and return perception.
Spearman's rho	Analyze the perception of corporate professionals towards mutual funds.	Correlation Coefficient	1.000	.707**
		Sig. (2-tailed)	.	.000
		N	136	136
	Level of preference towards mutual fund products with respect to the time horizon,	Correlation Coefficient	.707**	1.000
		Sig. (2-tailed)	.000	.
		N		

	risk, and return perception.		136	136

Interpretation

Based on the test results, the variables' significance value (p-value) is less than 0.05, or $P < 0.05$. Consequently, the null hypothesis is rejected. There is a correlation between the variables.

10. KRUSKAL-WALLI'S H-TEST:

Null Hypothesis H0: There is no discernible difference between corporate professionals' satisfaction levels and their preference for mutual fund products based on their educational background.

Alternative Hypothesis H1: The degree of corporate professionals' satisfaction and their preference for mutual fund products differ significantly based on their educational backgrounds.

Table 3: Showing KRUSKAL-WALLI'S H-TEST.

Ranks				
	QUALIFICATIONS	N	Mean Rank	Sum of Ranks
Level of preference towards mutual fund products with respect to the time horizon, risk, and return perception.	1	69	38.41	2650.00
	2	4	12.75	51.00
	Total	73		
The satisfaction level of corporate professionals towards mutual funds.	1	69	37.62	2596.00
	2	4	26.25	105.00
	Total	73		

Test Statistics[b]		
	Level of preference towards mutual fund products with respect to the time horizon, risk, and return perception.	The satisfaction level of corporate professionals towards mutual funds.
Mann-Whitney U	41.000	95.000
Wilcoxon W	51.000	105.000
Z	-2.376	-1.052
Asymp. Sig. (2-tailed)	.017	.293
Exact Sig. [2*(1-tailed Sig.)]	.015[a]	.316[a]

Interpretation

We are unable to reject the null hypothesis (H0) because the 0.293 > 0.05. There is no discernible difference between corporate professionals' satisfaction levels and their preferred mutual fund products based on their educational background.

11. SUMMARY OF FINDINGS

- Those between the ages of 26 and 35 make up the majority of respondents (54.4%)
- The majority of respondents (76.5%) are Male.
- The majority of respondents (50.7%) are bachelor's degree.

- The majority of respondents (50%) are 50000-100000 income.
- Most respondents (39.7%) have one to three years experience.
- The variables are not correlated with each other.
- There is no significant different between education qualifications preference for mutual fund products and satisfaction level of corporate professionals.

12. SUGGESTIONS

- To educate corporate professionals about mutual funds, including fund types, risk-return aspects, tax benefits, and long-term financial planning, organizations should regularly host workshops and training sessions. Employees will be able to make confident and well-informed investment decisions thanks to this.
- In order to encourage convenient and disciplined investing, organizations can collaborate with mutual fund providers to offer salary-deduction-based SIPs. Through rupee cost averaging, this strategy benefits employees and promotes consistent savings..
- Acknowledging staff members for their steady, long-term investments can encourage the creation of wealth. Awards, internal recognition, or bonus contributions are examples of incentives that can encourage consistent investment behaviour.

13. CONCLUSION

According to the study's findings, corporate professionals are becoming more interested in investing in mutual funds, primarily through SIPs, as a result of their desire to build wealth and plan their finances. Risk tolerance, income, investment expertise, and peer or advisor pressure are important determinants. Many people continue to rely on outside advice despite having good awareness, indicating gaps in financial literacy. Because of their market-linked returns and diversification, mutual funds are preferred over traditional options. The study highlights the need for fund providers to communicate more specifically and provide better investor education. It also emphasizes how digital platforms are increasingly influencing mutual fund participation, particularly among younger investors.

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