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Investment Decisions In The Digital Age: Behavioural Finance Perspective Of It/Ites Employees

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Abstract
With the increasing emphasis on personal management of finance, understanding hoe the individuals navigate their investment choices becomes critical. Investment behaviors of IT and ITES professionals with advanced fintech engagement and access to data in real-time are affected differently due to their technological proficiency. Overexciting, bullying, and loss aversion, along with more recent biases such as recency and the disposition effect, tend to be intertwined with modern social algorithmic, social, and information triggers. Their access to sophisticated analytical systems and instantaneous trading platforms can act to either alleviate these biases by rendering snap decisions fuelled by data or exacerbate them by encouraging reckless trades based on triggers from the digital milieu. Their digital bias along with an absence of digital risk perception can lead to either reckless trades or impulsive inaction, and determines their overall financial literacy. Within the defined IT or ITES cohort, having above average domain proficiency does not equate with protection from cognitive bias. Elements such as intelligence, addiction to digital workspaces, and dependence on frameworks can work with IT platforms to more strongly determine involvement behaviors. The organized system of interrelations can be seen as the new decision-making ecosystem which simplifies the understanding of overlapping behavioral bias with digital frameworks. Outdated models still rely on data sparse and slow response systems, which these ecosystems lack. It demonstrates the importance of integrated models which emphasize rapid response data systems, moderated frameworks, and specialized tools to improve digital financial literacy, aware and regulation of emotional bias, and other interventional systems to improve financial outcomes. Hence, this article aims to ascertain the investment decisions taken by IT/ITES employees in the Behavioural Finance perspective, particularly in the digital age. The findings are expected to offer valued insights for policymakers, financial educators, and investors alike, highlighting the importance of financial literacy and awareness in achieving successful investment outcomes in today's digitally driven financial landscape.
Keywords: *Behavioural Finance, Bias, Digital Effect, Disposition Effect, Financial Literacy*

INTRODUCTION

In the dominion of financial decision-making, traditional economic models have long expected that individuals are rational actors, making choices based on careful analysis of all accessible information. However, the field of behavioral finance encounters this statement by exploring how psychological factors affect financial behaviors and decisions. Within the scope of employment, where individuals often direct complex financial landscapes such as investment options, understanding the interplay between behavioral propensities and investment decision-making becomes more and more vital (Agarwal, Rao & Nogueira, 2025). Behavioral finance focuses on emotions and cognitive biases and applies them to investment decisions. Psychology and Economics' strands come together to figure out how emotions and cognitive biases cause people to be irrational. This discipline observes core biases like overconfidence, loss aversion, anchoring, herding, confirmation, recency, and availability. The influence of these elements on the investing and trading processes has shifted the focus of Behavioural Finance studies. The biases can be intensified or lessened among IT and ITES professionals due to their inclination and quick format of feedback. Overconfidence can result in trading, because of a better understanding of a tech market, in which the employee trades at a loss, due to bad timing or high costs (Bhatia et al, 2022). This can happen

because of the availability bias where the actions taken are the result of the overemphasis of trending stocks which, the result of social media, which don't involve deep examine. IT/ITES employees, "digitally fluent", have access to the above tools and data, but are less immune to psychological traps. These traps are magnified by the ease of access to tools and data (Das & Das, 2025).

IT and ITES specialists need to interact with technology not only to gather data but also to make decisions via robo-advisors, algorithmic trading platforms, and mobile trading applications. Robo-advisors, powered by AI and behavioral analytics, provide investment strategies and plans that make every effort to keep emotions as low as possible. Investment decisions are often undermined by biases such as overconfidence and loss aversion. According to Davies (2024), decisions that are left to IT systems are better able to contain the sunk cost effect, the behavioral entanglement and emotional involvement that is often attached to negative investments. On the other hand, the digital world feeds the desire to herd and is able to bought more by peers. IT specialists spend hours on the web and on social networks, falling prey to poorly articulated and often unfounded sentiment, only to make the decision to buy on the basis of the market trend rather than a carefully crafted market strategy (Gautam & Kumar, 2025). AI systems in finance offer a double-edged sword. AI systems virtually balance portfolios but they also create biases in the portfolios that result in system optimization of decision frames. A very important dimension that is likely to influence investment behavior of IT and ITES employees is the emotional intelligence they possess in addition to digital and financial literacy (Dhingra, 2024).

According to Keswani, Dhingra & Wadhwa (2024), emotional self-awareness and self-control positively determine the perception and countering of behavioral biases. In the same manner, emotional and cognitive digital and financial literacy cultivates a paradoxical association with robo-advisory adoption whereby the enthusiastic willingness to embrace these digital tools are counterbalanced by a preference to mutually employ robo-guidance and the traditional human provision of advice. Within the context of pervasive digital information, the simplification of interfaces, the application of default investment rules, and the reinforcement of a long-term investment horizon mitigate the effects of recency and confirmation biases (Lo, 2024). It is a win-win situation for the IT/ITES employees because the moment they become mindful of their analytical dominance, they are able to digitally, mindful integrate behavioral insights, emotional finance and resilient, conscious, principle based, long-term investment decision making to digitally enabled behaviorally-informed resilient finance.

LITERATURE REVIEW

Behavioral finance critiques the models of rational decision-making by documenting cognitive biases and the underlying heuristics that shape investor behavior. Prospect theory by Kahneman and Tversky introduced in 1979 shows that loss aversion is the tendency of individuals to suffer more from a loss than they would, in turn, gain from an equivalent profit. The disposition effect, which was first proposed by Shefrin and Statman in 1985, is a good example of this bias, where investors tend to sell winning stocks too early, but irrationally hold onto losing ones. Other biases such as overconfidence, herding, anchoring, availability, and confirmation which are not as strong, but are still present, tend to greatly hinder the ability to make rational investment decisions in the emotionally volatile contexts of a market (Manjunatha et al, 2025). The first example of behavioral finance, loss aversion, shows that emotionally-charged biases are the greatest barriers to rational market decision-making.

Figure 1: Outcomes of Behavioural Finance

Source: https://fastercapital.com/

In the Information Age, the potential for losing rational focus is greatly exaggerated. The ready availability of Vast information through smartphones, social media, and online forums can greatly overwhelm user's vis a vis biases of availability and recency of importance. Moreover, the digital sphere incentivizes and encourages people to make emotionally and cognitively driven snap decisions and choices which do not allow for any reflective thinking or analysis (Negi & Gupta, 2025). At the same time, the increasing popularity of robo-advisors, AI-based devices, and digital nudge as investment aides present a contradictory situation which can either magnify the irrational thinking in investment decisions or profoundly inch the investor towards systematic and rational biases to investment decisions. Research on the investment behavior of IT and ITES professionals remains sparse, however it has provided some insight. One of the studies conducted on IT/ ITES employees in Chennai focused on risk attitude, financial literacy, overconfidence, herding behavior, the influence of colleagues, and the behavioral impacts of history. Its regression analysis found weak correlations with quality of investment decision predicting that no behavioral variable had any significance (Naik et al, 2025; Pooja & Garg, 2024). This lack of a behavioral approach to describe the decision making of this group suggests that decision making, at least in this case, is more complex. The authors suggest increased financial literacy and bias mitigation advice to limit overconfidence, overconfidence being the chief bias in this case.

Another relevant study, though not focusing on IT professionals, was conducted by Shaik et al. (2022) on savings and investments of IT professionals in India through a structured questionnaire. It emphasized differences in risk tolerance, investment aims, and choice of investment instruments, and suggested that IT professionals might have systematic but diversified patterns of investment behavior. Supporting this, Gupta et al. (2025) studied the role of financial literacy on behavioral biases (e.g., herding, overconfidence, loss aversion, mental accounting, regret, and the endowment effect) among the investors of Delhi-Noida. They observed that herding tendencies were counterbalanced by a higher degree of financial literacy. Although not directly related to IT/ITES employees, the fact that the tech-enabled workforce is more prone to biases suggests that such employees would benefit more from financial literacy programs designed to counter biases (Redawati & Rizani, 2023). Outside of IT and ITES, the available literature provides some insights. Dhingra and Garg (2024) conducted a conceptual study on Indian investors, which highlighted that loss aversion, overconfidence, and the herd and mental accounting biases, among others, distort investments and portfolios. At the same time, Shaik et al's (2022) research on the overconfidence, anchoring, loss, herd, and confirmation biases suggest that they have a dominating effect on investment strategy, risk management, and asset allocation in portfolio management, thus indicating that such biases are applicable regardless of the type of investor and the sector.

Figure 2: Practical Applications of Behavioural finance in Investment decision-making
Source: https://www.jaroeducation.com/

Investment activities ever done by the IT and ITES sector professionals has evolved due to the accessibility of information technology and real time data. Psychologically, Maslowian Portfolio Theory explains how investors construct their portfolios to satisfy their needs starting from self-esteem and ascending to self-actualization. This is accomplished by the Theory of Planned Behavior (TPB) which states that the investment decision is the outcome of a combination of self-opinion, social perception, and self-efficacy.

The Take Propositions Theory insightfully explains how behavior of IT and ITES employees making investment decisions and the impact of behavioral systems, social professional environments, digital behavior, and investment stimuli at their home and workplace. Social and psychological factors are critical in implementing these concepts in real life and deriving insights from them. In these situations, targeted strategies such as self-awareness of overconfidence, self-nudging, or being nudged to not concentrate and emotionally driven behavior, are practical strategies to counter the loss that is triggered by impulsive behavior due to emotions (Statman, 2025).

Some fundamental propositions that are drawn from emotional and analytical frameworks consider these strategies: the emotionally driven and entirely analytical framework of systems that are purely technology oriented. These systems usually concentrate on the neglect of behavior involving thoughtful consideration and clumsy executions from the human, emotional side (Wu, 2025). The way digital content creators and social media sites such as Instagram reels, WhatsApp groups, and other short video services have cropped up and have been growing in India is disturbing, If the trend persists, the guidance on finances will become increasingly unorganized. There is a lack of concern on whether peer-generated content is as reliable as content developed by professionals and really if such knowledge is reliable. This concern is especially important in the case of IT/ITES professionals, who have been termed the heaviest consumers of digital information in the world (Redawati & Rizani, 2023).

Increased digital literacy has been connected to a number of behavioral biases, including too much confidence, avoidance of loss, the framing effect, herd mentality, and the disposition effect, especially in the IT/ITES sector. Very few of these biases, actually, carry any risk with them and they are all closely controlled by cognitive frames and feedback loops of the digital sphere (Gautam & Kumar, 2025). There are big differences in approaches and attitudes towards these things in the context of finances and especially trade and market. People who are highly technical in terms of skills and knowledge regarding these things have a stronger belief which can lead them towards confidence (Gupta, Rana & Tandon, 2025) . Eventually these things will result in over trading as well as over substitution of manual trading with algorithms, trading tools, and robo-advisors. Contrary to popular belief, the tools which are meant to reduce biases actually amplify them. The day-to-day situations such as peer effects, workplace stress, digital interruptions also change these things so easily (Davies, 2024).

Financial literacy still remains an important protective factor, allowing IT/ITES investors to decode anomalies and navigate around cognitive shortcuts. However, the accelerated rate of technological development with its gamified investment interfaces augments the chances of committing behavioral errors (Ahmed et al, 2023). Collectively, these findings point to the urgent need to construct a more refined behavioral finance theory, which incorporates classical behavioral biases and contemporary digital interplays, recognizes the proxy influence of risk perception and literacy, the behavioral traits of risk attuned to nudges, and the digital atmospheres prevalent among the IT/ITES populations (Aristei & Gallo, 2025).

RESEARCH METHODOLOGY

The type of data used for this article is secondary data, namely data that is not directly obtained from employees, but this data is obtained from books, scientific articles and internet sites, materials related to the topic. The data collection technique in this study is a literature study that is directly related to behavioral finance and investment decisions. The literatures gathered have been analysed and the findings of the study has been established.

FINDINGS AND DISCUSSIONS

The persistent, often inherited behavioral biases of overconfidence, herding, loss aversion, herding, anchoring, and the disposition effect, are evident even in this digital age, especially among the retail investors in India. These are very similar to the findings from the other parts of the world. Indian investors for all the digital and internet age information remain heavily bound to emotional and irrational thought processes. Weaker investors are especially likely to show the greatest degree of anchor biases and to the disposition effect of sale of winners too early and the holding onto losers stubbornly, are also common.

These findings are in agreement with the study by Pooja & Garg (2024). Another crucial insight is the digital world's information saturation, which has been revealed to heighten the biases of unavailability and recent memory, instead of mitigating them. Hence, it can be concluded that the basic digital tools are nearly in all, counterproductive, for the 'investment rationality' because of bias amplification.

Many studies practically observe that financial literacy acts as a protective and mediating wall against anomalies and biases. According to Gupta, Rana, and Tandon (2025), investors who were deemed as financially literate in the Delhi-Noida region were able to avoid overconfidence, herding, loss aversion, regret, and mental accounting, thus, made more rational decisions while investing. Correspondingly, a larger study conducted in India found a positive relationship between financial literacy and rational financial behavior. The study also found that financial literacy significantly mediated the impact of behavioral biases such as overconfidence, herding, the disposition effect, anchoring and especially, the representativeness heuristics. The findings all point to the same conclusion and emphasizes the importance of financial literacy as a basic tool to enable bias-aware decision-making. This illustrates the important connection of IT/ITES professionals and the potential gains of high educational quality intervention. A number of studies have documented a direct positive relationship between financial literacy and improved investment decisions, particularly with bias-aware decision-making and decision structuring. However, investment data specifically pertaining to IT/ITES professionals is scarce. A study done by Shaik et al. focusing on IT professionals of India indicated that respondents tended to prefer safe and easily accessible investment opportunities, but their processes varied greatly due to personal risk tolerance, investment objectives, and security necessities. This implies that IT professionals do lean towards a cautious investment strategy, but some behavioral biases still have the potential to cloud their judgment. In the meantime, one study on IT/ITES employees in Chennai found that some bias predictors (such as `overconfidence,' peer pressure, herd behavior, financial literacy and risk tolerance) of the investment decision quality these employees made did not predict it and hence some other factors must be more influential on the biases in this group. Such a finding is puzzling because it suggests that IT/ITES employees have some superior analytical capabilities, or more likely, workplace environments and cultures that bias the investment decision making process more than is normally the case. Such results would imply some form of professional bias in training, the work condition, environment or possibly even more diffuse techno-trained colleagues. More importantly, how these factors in future research interplay with biases, to disambiguate the behavioral traits distinguish of technology-based employees, is critical and remains to be explored.

During investment decisions, IT and ITES experts deal with numerous issues while uncovered with a mask, all thanks to the technological ability of the modern day. While the technological incorporation does provide access to real time data and analytics, and advisory bots, the access does not come without consequence. Moreover, the advanced access does worsen the cognitive biases, which includes overconfidence, recency or the "new" bias, and the herd mentality, through hasty and emotionally driven decisions. Having said that, behavioral finance principles, such as the "Disposition effect," "Prospect theory," and anchoring, although basic, are essential to the modern-day cohort.

CONCLUSION

Behavioral factors such as risk tolerance, peer pressure, and even overconfidence do not seem to accurately predict the quality of investment decisions made by IT/ITES employees, which is quite surprising. Empirical evidence suggests that the attempts to predict behavior in this domain may need to be calibrated to this group. Within discipline scenarios, a more structured approach to thinking may mitigate some of the biases that come from thinking purely analytically. However, the pace of the digital world, the speed and the immediacy of the flow of information, is more likely to trigger more cognitive and instinctive reactions within the realm of investment and more emotional behaviors. In this scheme, the investor's financial literacy serves as an important moderator: more financial knowledge tends to make an investor more thoughtful and reasonable, more decisive, as rational, and more counter-counter biased judgment distortions. Investors with high financial literacy are enabled to optimally use tools such as robo-advisors, pure- and hybrid-analytical tools, and comprehensive analytical frameworks. Digital nudges become far

simpler and more effective to execute when confirmed financial literacy and emotional or cognitive behavioral distortions counter-attack distortions, such as nudges to diversify and market noise responding issues. Digital fintech and AI-based devices simultaneously augment and undermine an investor's welfare. They restrain the investor from making rash, emotionally biased decisions, but simultaneously appreciate the absence of self-wisdom and self-financial literacy, can bloat distortions and emotional impulsive reactions.

IMPLICATIONS FOR INTERVENTIONS AND FUTURE RESEARCH

- Financial Literacy Beyond Theory

Teaching financial literacy to tech-savvy professionals should extend past the conventional curriculum and incorporate training on biases, anchoring, disposition biases, herd mentality, and overconfidence. Their analytical, structured mindset makes them amenable to formal bias training.

- Behavioral-Economics-Driven Digital Interfaces

Real-time behavioral nudges on Fintech platforms illustrate behavioral cues that can be added to digital interfaces. Such interfaces are meant to assist investors in the fast-paced, digital world of investing.

- Hybrid Advisory Models

Marketers offered evidence for the strong shift towards hybrid models: the combination of robots and humans. Pure automation is becoming obsolete, as major firms offer solutions that combine digital automation with human touch. Robo-advisors, in particular hybrid ones, are becoming increasingly popular since they provide rational advice plus the necessary real-life contextual, emotional, and qualitative aspects.

- Contextual and Qualitative Research

Gaining a thorough comprehension of how IT and ITES professionals invest will require more than merely surveys. Qualitative research and methods such as interviewing or focus groups might reveal the impact of organizational culture, peer influence, and psychological pressure of a workplace stress. These insights are to elaborate on the shallow understanding of investment behaviors.

- Longitudinal and Experimental Study Designs

Behavior modification across years and the discovering the set of actions and the elements linked to the effects of the goals of the education and the use of the digital technologies to establish the activity properly through the time the change concerning the education diegesis barter the shift. Activity of this kind should be monitored over the timeperiod.

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