

## Investment Behaviour Of Government Employees: A Critical Literature Review

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### Abstract

The current paper is based on literature review. the goal of this research is to comprehensively examine the current literature on individual saving and investing behavior in order to determine the elements that impact investment behavior. The study reveals that a number of factors influence an investor's choice to invest. This paper will be helpful to the prospect investors, serve as a guide for financial policymakers and wealth managers and other stakeholders to understand the investment behavior pattern of individuals.

**Keywords:** Investment behavior, government employees, investment preference, saving, investment awareness.

### Introduction

Investment can be stated as the process of acquiring assets and transforming money into claims on funds or income generating assets (Smith, 2015). Investment and saving are essential and significant actions for both men and women every person is inclined to save for a variety of reasons. Propensity of the economy is linked with the ability of the public to save and invest. To survive and develop in this competitive business world, capital must be made available at a reasonable rate without conditions attached to it.

Investment behaviour is related to activities of individual investors regarding searching, evaluating, reviewing the investment products and if necessary, disposing such investment products. This process consists of why they invest, where and how they get information, what factors they use to evaluate, who influence them on choice of investment and how they act after investment.

### EXISTING REVIEW OF LITERATURE ON INVESTMENT BEHAVIOUR

S.N O.	AUTHOR	YEAR	COUNTRY /REGION	SAMPL E (N)	METHODS / TECHNIQUE	JOURNAL/ PUBLICATION
1	DR. JYOTI SONDHI	2020	MANDI DISTRICT (HP)	153	SELF ASSESSMENT TEST	ISOR JOURNAL OF ECONOMICS AND FINANCE
2	PRIYA AHUJA	2021	BHOPAL CITY	80	CHI SQUARE TEST	BSSSBHOPAL.EDU.IN
3	RATHI KN	2022	KERALA	100	ANOVA TEST, T TEST, FACTOR ANALYSIS, CORRELATION AND MULTIPLE REGRESSION	JOURNAL OF THE ASIATIC SOCIETY OF MUMBAI
4	AFREEN BEGUM	2022	TELANGANA STATE	384	CHI- SQUIRE TEST, T TEST, ANOVA, CORRELATION, POST HOC, CLUSTER ANALYSIS	SHODHGANGA @INFLIBNET
5	S. SARADA DEVI	2022	TELANGANA	200	PATH ANALYSIS	INTERNATIONAL JOURNAL OF ADVANCED RESEARCH IN COMMERCE, MANAGEMENT & SOCIAL SCIENCE

6	M. KALA SHREE AND DR. P. SUGANYA	2023	TIRUNELVELI CITY, TAMIL NADU	87	LIKERT SCALE	INTERNATIONAL JOURNAL OF ADVANCED RESEARCH IN SCIENCE, COMMUNICATION AND TECHNOLOGY (IJARST)
7	DR. GAZALA AHMAD	2023	JHASI DISTRICT	250	FRIEDMAN RANK TEST, CHI SQUARE TEST	IJS DR
8	DR. PREMALATHA AND DR. SJ MANJUNATH	2023	KARNATAKA	100	T TEST AND ANOVA	ISME MANAGEMENT JOURNAL
9	INUGALA RADHIKA	2024	TELANGANA STATE	450	CHI- SQUIRE TEST, GRAPHS AND PIE CHARTS	JOURNAL OF INFORMATION SYSTEMS ENGINEERING AND MANAGEMENT
1	CHANDRA KETU SINGH	2024	UTTAR PRDESH	200	CHI SQUARE TEST	INTERNATIONAL JOURNAL OF NOVEL RESEARCH AND DEVELOPMENT
1	DR. ANITA P BOBADE	2024	MUMBAI	109	DESCRIPTIVE STATISTICS, FACTOR ANALYSIS	LIBRARY PROGRESS INTERNATIONAL
1	SMRITEE JHA AND SANTOSH KUMAR	2024	COIMBATORE DISTRICT	500	FRIEDMAN RANK TEST, CHI SQUARE TEST	INTERNATIONAL JOURNAL OF MANAGEMENT ISSUES AND RESEARCH
1	KRISHNA KUMAR	2024	SHAHDOL DIVISION OF MADHYA PRADESH	143	CONFIRMATORY FACTOR ANALYSIS	INTERNATIONAL JOURNAL OF ACCOUNTING BUSINESS AND FINANCE
1	SAHIL JAIN	2024	RAJASTHANA	100	RANDOM SAMPLING AND QUESTIONNAIRE TECHNIQUE	INTERNATIONAL JOURNAL OF MULTI-DISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY
1	PRAGNESH S. CHAUDHARY	2024	GUJARAT	100	PEARSON CHI SQUARE TEST, P VALUE	INTERNATIONAL EDUCATIONAL APPLIED SCIENTIFIC RESEARCH JOURNAL (IEASRJ)
1	GEETA MAHTO	2024	JHARKHAND	500	CHI- SQUARE AND T-TESTS	INTERNATIONAL JOURNAL FOR RESEARCH TRENDS AND INNOVATION
1	MANDULA SATYENDRA KUMAR	2024	VIJAYAWADA CITY, ANDHRA PRADESH	402	CRONBACH ALPHA COEFFICIENT	REDVET – REVISTA ELECTRONICA DA VERNTERINARIA

1	KRUTHIKA AN	2025	BANGALORE	102	CHI- SQUARE	INTERNATIONAL JOURNAL OF RESEARCH PUBLICATION AND REVIEWS
1	KRISHNAKU MR K	2025	IDUKKI DISTRICT	100		INTERNATIONAL JOURNAL FOR MULTIDCIPLINARY RESEARCH
2	AWESH GOYAL	2025	CHHATTISGARH STATE	210	PATH ANALYSIS	INTERNATIONAL JOURNAL OF ADVANCED RESEARCH IN COMMERCE, MANAGEMENT AND SOCIAL SCIENCE

## REVIEW OF LITERATURE:

- Dr. Jyoti Sondhi (2020)** Conducted research on “A study on the saving and investment preference of government employees on various investment avenues in district Mandi (HP)”. Study analyzes the pattern of investment, income wise saving, consumption and investment knowledge of government employees. This research indicate that government employee still prefers to invest in financial products which give risk free returns. This confirms that government employees even if they are of high income, well educated, independent are conservative. Government employees prefer to play safe.
- Priya Ahuja (2021)** Conducted research on “A comparative study on the investment pattern of individual working in government sector and private sector with reference to Bhopal city”. The purpose of the study is to determine the factors considered by government employees before investing, compare the safety level of traditional and modern investment and effect of level of level of saving on investment preference. The study shows that government sector employee mostly prefers traditional investment options while private sector employees mostly prefer modern investment options. The study also shows that most of the investors prefer safety of investment, traditional investments is a better option as modern investment have high risk.
- Rathi KN (2022)** Conducted research on “Investment behavior of government employees in Kerala (2022)”. The objective of the research is to study the factors influencing investment decision, role of gender, age, and geographic area in investment decision making. This study show that investment decisions are influenced by objective and risk level perceptions of different investments. The female and male employees do not differ in their investment decision making but there is much difference in different age group and employees from different regions in their decision making.

4. **Afreen Begum (2022)** Conducted research on “Investment behavior of government sector employees – with reference to Telangana”. The purpose of the study is to describe the demographic profile of the respondents of government sector employees, impact of demographic factors on investment behavior. And analyze the preference of the investors towards various investment. The study indicated that 41% of investors knew about some of the bank deposit investing possibilities, while just 23% knew about all of them. Internet is important source of information to 44% of investors and highly important to 27%. Fixed deposit was rated high preference by 45% of investors and very high by 20%.
5. **S. Sarada Devi (2022)** Conducted research on “Investment behavior of government employees in Telangana state: an empirical study”. The study is an attempt to examine the impact of economic, Psychological and market factors on the investment behavior of government employees in Telangana state. The study concludes that Economic Factors, Market Factors and Financial Knowledge have a significant bearing on the investment behavior of government employees in Telangana State, Cognitive Biases and Herding Factors are found to have limited impact on the investment decisions made by the employees. Emotional Factors and the Risk-taking Ability of the Investor have a negative impact on the investment behavior of employees.
6. **M. Kala Shree and Dr. P. Suganya (2023)** Conducted research on “A study on the investment preference of government employees on various investment avenues”. The purpose of the study is to determine the factors considered by government employees before investing, risk tolerance level, type of financial instruments prefer to invest and duration of investment. The findings reveals that government employees belonging to age group of above 50 years have high level of preference investment. Female employees have high level of preference for investment. Majority of the respondents having postal investment.
7. **DR. Gazala Ahmad (2023)** Conducted research on “A Study of investment behavior of salaried class employees working in public sector: with special reference to Jhansi district”. The research objective is to gain insights that can aid in identifying the most suitable investment option available in the market for this particular class of people. The study’s Key findings indicate that safety and future financial security are top priorities for individuals. Employees exhibit a strong preference for safe and low risk investment options like bank deposits and post office savings.
8. **DR. Premalatha and Dr. SJ Manjunath (2023)** Conducted research on “An evaluation of investment pattern of government of Karnataka employees in select financial securities”. This study identifies the investment pattern of government of Karnataka employees and the demographic factors affecting their investment decision. The researcher discovered both male and female respondents prefer to employ their funds in safe avenues like bank deposits, insurance, PPF, NSC and government bonds. No much difference found between the genders. Most of the government employees are medium risk takers and expect 10% - 20% return from their investment.
9. **Chandra Ketu Singh (2024)** Conducted research on “Assessment of investment pattern of government employees in Uttar Pradesh”. The research focuses on the investment pattern of government employees and to understand the influence of demographic factors on the investment preference of government employee. The researcher discovered that the gender discrimination between ten investment parameter safety, return, liquidity, period of investment, tax, conveyance, reliability and availability of income has same impact in government employee investment behavior. Investment period of male and female has no significant difference.

- 10. Dr. Anita P Bobade (2024)** Conducted research on “An Empirical study of investment pattern of government employees of Mumbai and integrating green stocks in investment”. The research focuses on the investment patterns and choices made of different financial products of the government employees. The researcher finds a significant association between employee details, specifically investment percentage, influence, investment plan, investment objective and preferred investment. Conversely factor such as investment purpose, investment preference, investment type and investment choices were deemed insignificant in influencing investment decisions. The study also reveals there is a lack of awareness regarding investing in green stocks, suggesting a need for educating the investor regarding advantages of investing in green stocks.
- 11. Smriti Jha and Santosh Kumar (2024)** Conducted research on “An analysis of investment preferences among government workers”. The research looks at the investing patterns that investors prefer and explores their preferences for different investment channels. The researcher discovered that over 50 years old government workers have strong preference for investments. The preference for investing is stronger among female government workers and among unmarried government workers. The safety of funds is the most important issue for government employees when it comes to the variables affecting investment preferences. Regular returns and tax benefits come in second and third respectively.
- 12. Krishna Kumar (2024)** Conducted research on “government employees mutual fund moves: Understanding decision drivers with the theory of planned behavior”. This study focuses on understanding the investment intentions of government employees towards mutual funds using the Theory of planned behavior (TPB). The findings reveals that personal attitudes are the most significant driver influencing their investment intentions. However subjective norms (social influence) and perceived behavioral control (ease and ability to invest) do not significantly impact their decisions.
- 13. Sahil Jain (2024)** Conducted research on “A comparative study on investment behavior between government employees & business person”. This study seeks to compare the investment behavior of government employees and business person, examining the distinct patterns, preferences and motivation driving their financial decisions. The study reveals that government employees tend to favor safer options such as Fixed deposit (FD) and gold, prioritizing tax benefits, liquidity and fund safety. They exhibit medium knowledge about investment, are risk averse. In contrast business persons are inclined towards high return investment. They show preference towards share & bond, land and property. They are generally more knowledgeable about investment, willing to take risk.
- 14. Pragnesh S. Chaudhary (2024)** Conducted research on “A Study on investment behavior of government employees in Gujarat”. The purpose of this to examine the association between demographic profile of the government employees and their investment behavior. Investment behavior of government employees in Gujarat is characterized by balanced approach that incorporates a willing to take financial risks for higher return, a strong focus on retirement planning, and a significant emphasis on saving for children’s education.
- 15. Geeta Mahto (2024)** Conducted research on “A Study of investment awareness in private and public sector employees in Jharkhand”. The objective of research is to assess the level of investment awareness, impact of demographic factors on investment and compare the risk tolerance between private and public sector employees and its influence on investment choices. The study shows that public sectors employees tend to favor safer, more traditional investment options, while private sector employees are more open to

riskier, market linked investments. Demographic factors, such as age, education and income level, significantly impact investment decisions. There remains a gap in knowledge regarding sophisticated financial instruments such as mutual funds, derivatives and shares.

- 16. Mandula Satyendra Kumar (2024)** Conducted research on “Influence of investment parameters on investors behavior with special reference to retired state government employees in Andhra Pradesh”. This study explores the different parameters like liquidity, safety, tax exemption, volatility, risk tolerance and return and their influence on investors behavior with special reference to retired government employees. This study shows gold appeals to as a secure and profitable asset. Silver investment is strongly influenced by liquidity and returns. Agriculture land stands as a secure and flexible investment. Real estate sector stands as a safe and liquid.
- 17. Inu gala Radhika (2024)** Conducted research on “A study on awareness of public sector employees on saving and investment avenues with special reference to Telangana state”. The purpose of the study is to examine the impact of variables like age, gender, experiences, marital status, family size and income on saving and investment behaviors. The study shows public sectors employees are strong risk aversion and low financial diversification. Traditional savings dominate, while awareness of growth options and tax implications remains limited. Women and resident of Khammam face notable knowledge gaps, reflecting regional and gender disparities.
- 18. Awesh Goyal (2025)** Conducted research on “A Statistical analysis of government employee’s investment behavior in Chhattisgarh state”. The research aims to look at how government workers in Chhattisgarh state spend their money based on economic, psychological and investment choices and market factors. The study found that government employees in Chhattisgarh state are influenced by economic factors, market factors and financial knowledge when making investment decisions. Cognitive biases and herding factors on the other hand, were found to have a limited impact. Investors emotional intelligence and comfort level with risk have a detrimental effect on workers investing decisions.
- 19. Krishnakumar k (2025)** Conducted research on “A Study of investment Awareness of government employees in Idukki district” This study examines investment awareness with a focus on demographic factors such as age, gender, income level, education and retirement planning. The finding indicate that aware employees prefer for riskier investments like shares, debentures and mutual funds. Gender and income levels also play a significant role in shaping investment decision.
- 20. Kruthika AN (2025)** Conducted research on “A Study on investment preference among private and government employees”. The objective of the study is to evaluate how risk averse government and private sector workers perceive different investment options. The study shows that government employees choose low risk and stable investment such as fixed deposits and provident funds due to job security while the private employees preferred to explore higher risk investments like stocks and mutual funds for better returns. Educational background does not significantly impact investment knowledge.

## OBSERVATION

After the review of related literature, the observation of the study are as follow:

1. Government Employees exhibit a strong preference for safe and low risk investment options like bank deposits and post office savings.
2. government employees belonging to age group of above 50 years have high level of preference investment.
3. The female and male employees do not differ in their investment decision making.
4. In Government employees there remains a gap in knowledge regarding sophisticated financial instruments such as mutual funds, derivatives and shares.

5. Educational background of government employees does not significantly impact investment knowledge.

## LIMITATION

1. This study Mainly focused on perception of the investors and other variables are not included in this paper.
2. There might be personal bias while collecting paper for the review.

## CONCLUSION

The research of reviews reveals that there are various modes for investment are available and accessible in the market low risk investments like saving accounts, certificate of deposit, bonds, medium risk investments like mutual funds, real estate, unit linked insurance plans and high-risk investments like stocks, equity mutual funds, cryptocurrency, options and derivatives but most government employees prefer safe and low risk investment options like bank deposits and post office saving. This indicate that safety and future financial security are top priorities for individual. Government employees exhibit medium knowledge about investment in mutual fund, derivatives, share and cryptocurrency. Investors can improve their wealth by employing appropriate investment methods and financial planning, which will help the economy flourish.

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