INDIVIDUAL INVESTOR TRADING BEHAVIOUR AND THEIR INCLINATION TOWARDS SOCIAL RESPONSIBLE INVESTMENT

A Thesis

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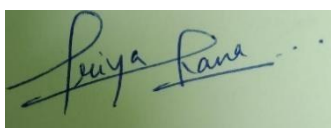**Lovely Professional University**

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2025

DECLARATION

I hereby declare that the thesis entitled, "**INDIVIDUAL INVESTOR TRADING BEHAVIOR AND THEIR INCLINATION TOWARDS SOCIAL RESPONSIBLE INVESTMENT**." submitted to Lovely Professional University in partial fulfilment of the requirements of the degree of Doctor of Philosophy in Finance is my original work and that the thesis has not formed the basis for the award of any Degree, Diploma, Associateship, Fellowship or any other similar titles.

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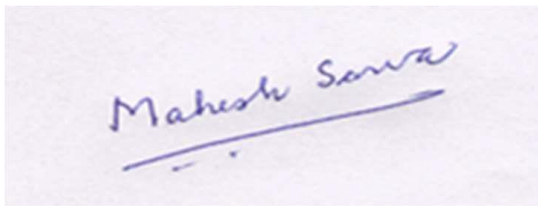
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CERTIFICATE

This is to certify that the thesis entitled, **"INDIVIDUAL INVESTOR TRADING BEHAVIOUR AND THEIR INCLINATION TOWARDS SOCIAL RESPONSIBLE INVESTMENT"**, embodies the work carried out by Ms. Priya Rana and under my direct supervision and guidance in the Department of Finance, Lovely Professional University, Phagwara, Punjab. To the best of my knowledge, the present work is the result of her original investigation and study. No part of this work has ever been submitted for any other degree at any university. The thesis is worthy of consideration and fulfilment of the conditions for the award of degree of Doctor of Philosophy in Finance.

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ABSTRACT

The core challenge of sustainable investment, encompassing Socially Responsible Investment (SRI) and Environmental, Social, and Governance (ESG) investing, revolves around reconciling financial gains with societal and environmental benefits. Despite the growing interest among investors to integrate their values into investment decisions and support positive social and environmental change, they encounter difficulties in attaining strong financial performance alongside these goals. The study aims to investigate several key objectives related to individual investors' behaviour in the stock market and their inclination towards Socially Responsible Investment (SRI). The research aims to investigate the relationship between investors' trading behaviour and their inclination towards SRI, identifying potential correlations and influences between these two factors. Furthermore, the study seeks to explore the relationship between demographic characteristics of investors, such as age, gender, income level, educational background, and marital status, and their inclination towards SRI, providing insights into the demographic factors shaping investors' attitudes and behaviours in sustainable investing.

Through the identification of crucial factors and correlations, the study offers valuable insights for financial institutions, policymakers, and stakeholders seeking to encourage SRI practices among individual investors. By thoroughly analysing survey data gathered from a diverse sample of individual investors hailing from two states, namely Punjab and Haryana, this study unveils significant insights into the influence of various factors. Additionally, the study examines the relationship between various aspects of SRI preference. Ultimately, by understanding the factors driving individual investor behaviour in the context of SRI, this research contributes to the advancement of responsible investing and the pursuit of positive societal and environmental outcomes. Ultimately, this research contributes to the progression of responsible investing and the drive for beneficial societal and environmental impacts within the financial industry.

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Thank you

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LIST OF ABBREVIATIONS

Abbreviation	Full Form
MSCI	Morgan Stanley Capital International
ESG	Environment, Social, Governance
SRI	Socially Responsible Investment
GIIN	Global Impact Investing Network
NDCs	Nationally Determined Contributions
SDGs	Sustainable Development Goals
BSE	Bombay Stock Exchange
NSE	National Stock Exchange
SBI	State Bank of India
ETF	Exchange Traded Funds
ICICI	Industrial Credit and Investment Corporation
BRSR	Business Responsibility and Sustainability Report
NGBRCs	National Guidelines on Responsible Business Conduct
NVGs	National Voluntary Guidelines
SEBI	Securities Exchange Board of India
UNGPs	United Nations Guiding Principles on Business & Human Rights
BRRs	Business Responsibility Reports
UNHRC	The United Nations Human Rights Council
GRI	Global Reporting Initiative
NAP	National Action Plan
AIM	Affect Infusion Model
MMH	Mood Maintenance Hypothesis
TCFD	Task Force on Climate-related Financial Disclosures
P/E	Price to earnings
FTSE	Financial Times Stock Exchange
CSR	Corporate Social Responsible
EU	European Union
NGOs	Non-Government Organisation
TPB	Theory of Planned Behaviour
PCE	Perceived Consumer Effectiveness

KMO	Kaiser-Meyer-Olkin

CHAPTER 1
INTRODUCTION

1.1 A HISTORY OF PHYSCHOLOGY OF FINANCIAL CONSUMER BEHAVIOUR

The foundation of conventional finance is the idea that rational agents would make objective decisions and seek to maximise their own interests. Comparatively, behavioural finance investigates the psychological factors that influence how people make decisions for themselves, their groups, their organisations, and their markets. Grasp investor and market behaviour requires an understanding of both schools of thought.

In economics, the psychological viewpoint first gained traction in the 1960s. Herbert Simon, an American economist, introduced the concept of "bounded rationality" into economics. He examined procedures for making decisions within the context of information processing, integrating insights from cognitive psychology. This approach comprises a body of knowledge based on psychological principles. Neoclassical economic theories were at odds with this idea, which was based on the idea that rationality is unbounded. In recognition of his research on the theory and methodology related to procedure of decision-making within financial institutions, Herbert Simon was awarded the Alfred Nobel Memorial Bank of Swedish Prize in the Sciences of Economics in 1978, commonly referred to as the Nobel Prize in Economics **Simon, (1987**). The popularity of the methodology that integrating psychology with economics, particularly known as "behavioral economics," significantly surged following the awarding of the Economics Nobel Awards to Daniel Kahneman in 2002 and to Vernon Smith and Richard Thaler in 2017.

The days of analysing an individual's financial decisions based on their demographics and finances are long gone **Kahneman (2011); Thaler (2016); Simon (1987).** We now realise that non-financial factors, along with environmental factors including personality traits, have a significant influence on a variety of financial choices. **Donnelly et.al. (2012).**

One effect of these unique variances among individuals is the manifestation of diverse reactions in individuals with particular characteristics in identical circumstances. Individual differences are clearly of considerably less relevance to economics, although the field of behavioural economics entirely ignores them. Increased curiosity is being generated, primarily in the area of deciphering facts like saving, making investments, and falling into debt, by examining the consequences of someone's psychological qualities for the

performance of the economy **Maison, & Trzcińska (2016)** Conversely, certain characteristics are those that are connected to financial concerns in this instance. These might involve opinions regarding funds, financial institutions, and insurers; they may also include personal dispositional characteristics like materialistic or the propensity for impulsive buying. **Dominika Maison (2019)**

Table 1.1 Non-financial elements with a psychology foundation influencing financial habits

Field	Type	Money-related behaviour
Behavioural economics	Situational elements	People don't always act logically, and even the same person can act differently depending on the circumstances (such as how an offer was presented).
Psychology/ behavioural economics	Individual factors – cognitive skills	Cognitive talents such as memory, cognitive bias susceptibility, analytical ability, and mathematical skills vary amongst individuals.
Psychology (features of personality)	Psychological aspects that are unique to each person and unrelated to finances	Based on their attitude features (such as their degree of psychoticism or feeling related to entitlement), different persons can act differently under the same circumstances.
Personal factors: psychological, particular, unrelated to financial	Psychological (thoughts, behaviours)	Individual have different behaviour about different financial circumstances (such as banks, saving, and investing), and whether an attitude is good or negative may affect the behaviours that a person takes (For instance, consumerism or the propensity for impulsive purchases)

Source: **Maison. D. (2019)**

Studies have identified a variety of personality traits, including non-specific features, or characteristics unrelated to the subject of study, in this case, finance. They comprise a variety of psychological features, mostly temperamental traits or personality traits (such as extraversion, neuroticism, risk-taking propensity, and optimism), but they can also contain attributes related to the way the mental framework functions (For example, recall, reasoning,

and deciding approach). Contrarily, particular qualities are those that are related to money matters and could consist of beliefs about funds, banking, and insurer, which may also include personality characteristics such as materialism as well as a propensity for impulsive purchases.

Certainly, the Big Five trait taxonomy is a widely recognized model identifying five fundamental personality characteristics: commitment, agreeableness, neuroticism (as well as emotional steadiness), extraversion, and receptivity to new things. This paradigm is hierarchical which delineates subordinate features within each major dimension. For instance, agreeableness encompasses attributes such as humility, candor, and altruism, while conscientiousness encompasses responsibilities, self-control, and thoughtfulness **Costa & McCrae, (1992); McCrae & Costa, (1989).** These traits are summarized by **Norman (1963)** and **Barrick and Mount (1991),** elucidating the key facets of each dimension: extraversion encompasses sociability, expressiveness, and a need for excitement; neuroticism embodies traits like depression, apprehension, and emotional instability; agreeableness represents traits such as likeability, trustworthiness, and tolerance; conscientiousness involves the drive for success, planning, and accountability; and openness to experience reflects receptivity to new experiences, arousal need, and impulsivity. This taxonomy serves as a robust framework for understanding and analyzing personality traits across diverse contexts.

1.2 PHYCHOLOGICAL DIMENSIONS OF MONEY: EMOTIONS AND REACTION

Behavioral finance explores how individuals make decisions, taking into account cognitive and emotional biases. It operates on the premise that a wide array of both objective and subjective where variety of elements influence how decisions are made. Numerous studies in behavioral finance, encompassing experiments, surveys, and observations in real financial markets, have demonstrated that individuals do not consistently exhibit rational behavior. Instead, behavioral finance adopts a descriptive model derived from the social sciences, which documents how people in real-life scenarios form judgments and make decisions.

At the core of this descriptive model is the idea that stakeholders are impacted by numerous variables, which includes their past experiences, personal preferences, cognitive limitations, emotional influences, the manner in which information is presented, and the credibility of the data they encounter. Additionally, individuals often employ bounded rationality, a concept asserting that people simplify decision-making processes by reducing choices into a more manageable set of steps, even if this means oversimplifying. Within the framework

of bounded rationality, individuals tend to opt for outcomes that are satisfactory rather than necessarily striving for the optimal choice. **Baker et.al. (2017)**

The primary purpose of money is to serve as a recognized legal tender and a medium of exchange. People earn money through various means, and they use it to acquire a wide range of goods and services. When we spend money on products, it allows us to assign a specific value to these items. Nevertheless, beyond its utilitarian role, money carries significant emotional significance for individuals, tied to the fulfillment of diverse needs and pleasures. Money elicits distinct reactions from people compared to other items with a similar value to one another inherently more impartial in character **Grable and Roszkowski (2008)** experimented in a study examining of the impact of mood on individuals' propensity to take financial risks, exploring two contrasting viewpoints. The Mood Maintenance Hypothesis (MMH) suggests that positive moods lead to decreased risk tolerance, while negative moods increase it. Conversely, the Affect Infusion Model (AIM) posits that positive moods elevate risk tolerance, whereas negative moods reduce it. Their findings, aligning with AIM principles, revealed that individuals spanning ages 18 to 75 exhibited heightened financial risk tolerance when experiencing positive or happy moods.

In a study by **Rubaltelli et.al. (2010),** several significant revelations emerged regarding the intricate link between emotions and investment decisions. Notably, the research underscored the substantial influence of emotional attachment to mutual funds on the prices investors were willing to set when selling their holdings. This suggests that investors' sentimental connections to their investments wielded substantial influence over their financial decision-making processes.

Furthermore, the study unveiled a subjective dimension to risk perception, a crucial insight into the world of finance. It highlighted those emotional responses, whether positive or negative, could substantially impact the pricing of mutual funds. Specifically, participants who experienced negative emotional reactions tended to set higher selling prices, indicating a reluctance to part with their investments even when facing potential losses. This result shed light on how investors sought to counteract The disposition effect is the propensity to hang onto failing assets for an extended period of time—when driven by negative emotions.

Conversely, those who had positive emotional responses, particularly towards non-socially responsible funds, demonstrated a different pattern of behavior. Their initial emotional impressions anchored their decisions, leading to a delayed selling of underperforming

investments. This emphasized the substantial influence of positive emotions in anchoring investment choices and potentially hindering timely corrective actions.

In summary, the study emphasised how much emotions influence investing decisions, revealing that emotional attachment, both positive and negative, could sway selling prices and significantly influence investors' approaches to risk and decision-making in the financial realm. These findings illuminated the intricacies of investor psychological along with the need for a more holistic understanding of emotional factors in finance.

Many investors grapple with persistent feelings of worry, which often give them the sensation of re-experiencing past financial events or envisioning future scenarios they cannot prevent **Ricciardi (2008b**). This state of worry prompts individuals to revisit unfavorable financial memories and conjure mental images of potential financial futures, ultimately influencing financial goals, both short- and long-term judgments.

For example, in a study by **Ricciardi (2011)** it was revealed discovered a sizable majority of investors—70% of the sample—associated the word "worry" mainly with stocks rather than bond, which accounted for only 10 percent of the sample. Heightened levels of worry associated with a financial instrument, such as common stocks, contribute to a heightened perception of risk, reduced risk tolerance among investors, and an increased likelihood of refraining from investing in that particular asset.

Daniel Kahneman, a prominent psychologist and Nobel laureate in economics, is widely acknowledged as a trailblazer in the behavioural economics space. His groundbreaking research, conducted alongside Amos Tversky, focused on uncovering the systematic errors in human judgment and decision-making processes. Their seminal work, particularly the development of prospect theory, challenged conventional economic theories by highlighting the significant influence of cognitive biases on individuals' choices, as opposed to purely rational calculations of utility. Kahneman's influential book, "Thinking, Fast and Slow," synthesizes years of research in psychology and behavioral economics, delineating the two distinct systems of thinking that guide human decision-making: System 1, which is quick and intuitive, and System 2, which is slower and more analytical. With Kahneman, researchers like Amos Tversky and Richard Thaler have also made substantial contributions to the field of behavioral finance, laying the groundwork for understanding the cognitive biases that underpin it. Through empirical studies and real-world examples, Kahneman's work has illuminated the different prejudices that impact people's perceptions, decisions, and choices, thereby enriching

our understanding of decision-making processes. The disparities between traditional finance and behavioral finance stem largely from these behavioral biases, which challenge the assumptions of rationality inherent in traditional economic models. **Madaan & Singh (2019).**

There are some cognitive biasis discussed by Daniel and Tversky

Availability bias: The availability bias has become a type of cognitive bias which happens when people base decisions or judgements on information that is easily accessible to them instead of relying on more objective or comprehensive data. This bias arises from the tendency of people to give greater weight to information that is easily recalled or vividly remembered, often due to its recent occurrence, emotional impact, or frequency of exposure.

For example, individuals may overestimate the likelihood of rare events if those events have received significant media coverage or if they can easily recall vivid examples from memory. Conversely, they may underestimate the likelihood of more common events that receive less attention or are less memorable.

Availability bias can influence Making decisions in a variety of fields, such as banking, health care, or risk assessment. In investment decisions, individuals may be swayed by recent market trends or news headlines, leading them to overreact to short-term fluctuations or overlook long-term fundamentals. Similarly, in healthcare, patients may overestimate the risk of rare diseases if they have heard sensationalized stories about them, leading to unnecessary anxiety or medical interventions.

Recognizing availability bias is important for making more rational and informed decisions. By consciously considering the sources and reliability of information, as well as seeking out diverse perspectives, individuals can lessen the impact of availability bias along with base choices on more precise and fair estimations of risk and probability.

The term "availability bias" describes the propensity to overestimate the frequency of examples that immediately come to mind. Decisions we make regarding the future are influenced by knowledge that comes to mind more quickly. And like the hindsight bias, this bias stems from a memory mistake.

Confirmation biasis: A cognitive bias known as confirmation bias occurs when people look for, favour, interpret, and recall information in a manner that supports their preconceived notions and views. This prejudice might cause people to deliberately collect data to bolster their preexisting opinions while disregarding or undervaluing data to the contrary.

For example, if someone holds the belief that a particular investment is likely to succeed, They might look for financial data, opinions from experts, or news stories that confirm their belief while discounting or disregarding other information suggesting otherwise. The selective attention to confirming evidence reinforces their initial belief, even if it may not be objectively justified.

Confirmation bias can occur in various domains, including politics, religion, science, and everyday decision-making. It can influence how people interpret ambiguous situations, evaluate the credibility of sources, and interact with others who hold different viewpoints.

Recognizing decision-making along with critical thinking require an awareness of confirmation bias. Those who are conscious about this prejudice can work to seek out diverse perspectives, challenge their own assumptions, and approach information with a more open-minded and objective mindset. This can lessen the impact of bias against confirmation and result in more informed and balanced decision-making processes.

Confirmation biases affect not just the way we obtain information but also its interpretation and retention. Individuals who are in favour of or against a certain subject, for instance, will not only look for evidence to support their position, but they will also read news articles in a way that confirms their preconceived notions. Additionally, they will retain information in a way that supports these viewpoints.

Anchoring: Anchoring, in cognitive psychology and behavioral economics, alludes to the propensity for people to base a large portion of their conclusions or judgements (the "anchor") on the first piece of information they are given. This preliminary data acts as a point of reference, impacting further evaluations and decisions.

For instance, when negotiating a price of a product, the vendor's initial price suggestion frequently serves as an anchor. Even if the buyer knows the initial price is inflated, it can still influence their perception of what constitutes a fair price. As a result, people might modify their proposals or anticipations in light of this first anchor, leading to outcomes that are biased toward the initial reference point.

Anchoring can occur in various contexts, including negotiations, financial decision-making, and problem-solving. It can result in persistent mistakes in judgement as well as taking

decisions because people may fail to sufficiently adjust their assessments away from the initial anchor, even when presented with new information. **Madaan & Singh (2019)**

Awareness of the anchoring effect is important for mitigating its influence and making more rational decisions. Strategies for overcoming anchoring bias include consciously questioning the validity of initial anchors, seeking out additional sources of information, and considering multiple reference points prior to choosing a choice. People can enhance the calibre of their processes for making decisions by realising the consequences of anchoring and deliberately reducing them.

The anchoring effect is when an initially stated value has a disproportionately large impact on decision-makers' judgements. **Tversky & Kahneman (1974)** The cognitive bias referred as the "anchoring bias" causes us to over-rely on the first fact we come across when researching a topic. When we make plans or projections, we assess more recent information using our anchor as an indicator rather than observing it objectively. This could impair our judgement and prevent us from updating our plans or estimates as needed.

Endowment effect: A cognitive bias known as the endowment effect causes people to place a higher value on possessions they own or possess compared with identical objects that they do not own. This bias suggests that people tend to overvalue items simply because they own them, leading to reluctance to part with them even when offered fair compensation.

For example, someone may place a higher price on a coffee mug they already own compared to an identical mug they do not own. This can result in situations where individuals are unwilling to sell their possessions for a price that they didn't presently own the exact same item, they wouldn't be willing to pay to get it.

This kind of effect has implications in various areas, including economics, consumer behavior, and decision-making. In economics, it can affect pricing mechanisms and market behavior, leading to inefficiencies and market distortions. In consumer behavior, it can influence purchasing decisions and perceptions of value. In the process of decision making, it can lead people to base their less-than-ideal decisions on their attachment to possessions.

Understanding the endowment effect can identify and lessen bias to assist people and organisations in making more logical judgements. This may involve strategies such as

considering alternatives objectively, seeking outside perspectives, and consciously evaluating the true value of possessions based on utility rather than ownership status.

Investors have been found to be reluctant to leave with a poorly performing stock that they already own and less eager to trade it for ownership of a similar but better-performing stock, which is known as the endowment effect or the "ownership effect." The endowment effect's proposed attachment theories would appear to be supported by this kind of behaviour.

Overconfidence: A form of cognitive bias known as overconfidence occurs when people overestimate their own skills, knowledge, or opinions in comparison to other people's performances or objective standards. This prejudice may show up in a number of decision-making contexts and behavior, leading people to believe that they are more skilled, knowledgeable, or accurate than they actually are.

One aspect of overconfidence is overestimation, where people think they know or are more competent than they actually are. This may cause people to accept responsibilities or make choices without fully appreciating the dangers or difficulties associated. For instance, a trader with an inflated sense of confidence with their forecasts could underestimate their capacity to predict market moves and take unwarranted risks and abilities. **Madaan & Singh (2019)**

Another aspect is over placement, where individuals believe that their performance or abilities exceed those of others. This can lead to competitiveness and a reluctance to seek advice or feedback from others, as individuals may perceive themselves as already being highly competent.

Overconfidence can also manifest as over precision, where individuals express unwarranted certainty in their judgments or predictions, failing to account for uncertainty or the possibility of being wrong. This may cause one to make poor decisions and judgement, particularly in situations where outcomes are uncertain or probabilistic.

Overall, overconfidence can have important repercussions in a number of areas, such as business, connections, and finances. Recognizing and mitigating this bias involves fostering humility, seeking feedback, and being open to the possibility of error or uncertainty.

It is a belief that is not founded on common sense, emotional intelligence, or cognitive aptitude. People tend to overestimate the accuracy of information and the precision of predictions, and they are likely to find it challenging to calculate the chance of events. In addition to making poor decisions for themselves, overconfident investors also possess a noteworthy effect on the

market overall. Those who are investing overconfident tend to overtrade since they think they know more than others and are therefore more knowledgeable. Overconfident investors may underestimate the history against the dangers owing to ignorance, passivity, and a lack of understanding of the performance of the investment company, resulting in a basket that cannot be expected to perform poorly. **Ady (2018).**

Loss aversion: In decision theory and behavioural economics, the term "loss aversion" describes people's propensity to strongly favour avoiding damages overachieving comparable gains. Put another way, people are usually less driven to acquire something of similar worth than they are to avoid losing something they already own.

Psychologists Daniel Kahneman as well as Amos Tversky first theorised this bias as a component of their prospect theory, which postulates that people assess possible outcomes by comparing perceived advantages and disadvantages to an established point., often the current status quo. Loss aversion implies that the psychological impact of a loss is typically greater than that of an equivalent gain, leading individuals to make decisions that prioritize risk avoidance even when it may not be objectively rational.

For example, in financial decision-making, loss aversion may induce investors to hang onto failing investments longer than selling them, even when selling seems like the more logical course of action monetarily. This is because the emotional distress of experiencing a loss is often equated with the prospective benefit from preventing additional losses.

There are ramifications for loss aversion across numerous facets of life, such as governance, economics, advertising, and finance. By being aware of this bias, people and organisations can develop plans to lessen its consequences and make more logical choices.

 People who suffer from loss aversion bias feel compelled to prevent suffering more loss than gain. Experts in behaviour claim that the joy that comes from luck outweighs the anguish that comes from losses. Denying loss-making causes investors to become overly cautious, which may cause them to hang onto subpar stocks or sell them irrationally. **Bouteska and Regaieg (2020)**

Gambler fallacy: The gambler's fallacy is a cognitive bias that happens when people think that, even though each random occurrence is statistically distinct, past unpredictability can affect

random events in the future. It originates from the false assumption that a result is more unlikely to occur in future periods (and vice versa) if it has happened more frequently in the past.

In a game of chance such as roulette, for instance, a player suffering from the gambler's fallacy would conclude that a black number is "due" to appear shortly after multiple consecutive spins yielding red numbers. In actuality, every roulette wheel spin is a separate, independent event with a predetermined chance that is unaffected by earlier spins.

This fallacy arises from a misunderstanding of probability and randomness, as well as a tendency to seek patterns or trends in random data. Despite its name, the gambler's fallacy is not limited to gambling situations and can occur in various contexts where randomness is involved, such as financial markets or sports.

Understanding the gambler's fallacy is important for making decisions, as it may result in poor judgments, risky behavior, and financial losses when individuals wrongly assume that past outcomes can predict future ones. Recognizing the independence of random events and making decisions based on accurate probabilities rather than perceived patterns are key strategies for avoiding the gambler's fallacy.

The idea that the chance of an outcome after a series of outcomes is different from the chance of a single outcome is known as the gambler's fallacy. Since human intuition appears to rather closely match the odds of the probabilities of various sequences, subjective intuitions about the probabilities of different results seem not to be entirely epistemically illogical. **Kovic & Kristiansen (2017)**

Representative biasis: Representative bias, a concept in behavioral finance and decision-making, refers to people's propensity to base decisions or judgements on how closely an event or circumstance fits a specific prototype as well as stereotype, rather than on objective probabilities or statistical evidence.

This bias occurs when people categorize objects, events, or people based on how similar they are to a typical example or prototype in their minds, rather than considering the full range of possible outcomes. It might cause judgement errors by exaggerating the likelihood of an outcome based on superficial similarities, while neglecting relevant statistical information.

For example, if someone assumes that a person who wears glasses and reads books must be a professor, they may be exhibiting representative bias by relying on stereotypes rather than considering other factors that could influence a person's occupation.

Representative bias can lead to inaccurate predictions and flawed decision-making, particularly in situations involving uncertainty or complex probabilities. It's critical to identify and reduce representational prejudice in order to make more logical and knowledgeable decisions, especially in fields such as investing, where objective analysis and risk assessment are crucial.

According to the representativeness heuristic, investors have a tendency to think that a particular company's past record of exceptional performance will be "representative" of the total amount of work that the business will generate going forward. The investors who are vulnerable to this heuristic overreact with feelings of optimism or pessimism in response to a string of positive or negative news, extrapolating the firm's previous success into the future and driving up stock prices as a result (undervaluation). So, when presented with similar information, they overreact. **Boussaidi & Ramzi. (2013)**

Herding: Herding, in the context of behavioral finance, refers to people's propensity to comply with the crowd's actions or behaviours rather than coming to their own independent conclusions based on research or analysis. It happens when people follow the beliefs or behaviours of others, regardless of whether they are logical or based on fact.

Fear of missing out (FOMO), the need for conformity in society, or the conviction that others are more knowledgeable or perceptive than oneself are common causes of herding behaviour. When people buy or sell assets in large quantities based on the behaviour of others rather than on underlying causes driving the stock market, it can amplify existing patterns in the market. Market inefficiencies can arise from herding behaviour because prices may detach from basic fundamentals. Because investor behaviour magnifies market fluctuations, it can also lead to bubbles along with crashes in the markets. **Madaan & Singh (2019)**

Understanding and identifying herding behavior holds significance for both investors and policymakers. For investors, being cognizant of herding tendencies is crucial to avoid making decisions solely based on others' actions. Policymakers may institute regulations or measures to alleviate the effects of herding behavior on financial markets and foster market stability.

The concept of herding stems from the development of behavioral finance theories, wherein investors mimic the stock market activities of others. Research on herding behavior aims to grasp how investors formulate investment decisions. The willingness of investors to imitate or trail the activities of others significantly impacts financial markets. As per the herding behavior

theory, investors prone to herding tend to withhold personal information, leading to prices deviating further from their true value. **Mand et. al.(2021)**

Halo effect: It is a bias in cognition that affects people's opinions and perceptions based on their overall impression of a person, brand, product, or organization. It occurs when a positive attribute or characteristic of a subject leads people to perceive other qualities of that subject more favorably, even if those qualities are unrelated. For instance, if someone finds someone visually appealing, they might presume that individual is also intelligent, kind, or competent, without any evidence to support those assumptions.

Psychologer Edward Thorndike first used the term "halo effect" in the early 1900s based on his observations of how military officers rated their soldiers. He noticed that if an officer had a positive impression of a soldier's appearance, they were more likely to rate that soldier higher in other areas, such as intelligence or leadership skills, regardless of actual performance.

In a variety of settings, such as marketing, recruiting decisions, evaluations of performance, and interpersonal interactions, the halo effect may have a big impact. It may result in skewed assessments and unfair treatment based on superficial characteristics rather than objective criteria. Recognizing the presence of the halo effect is important for mitigating its influence and making more informed and unbiased decisions.

The positive "influence of a global evaluation on evaluations of individual attributes" is the common definition given to the halo effect. For ambiguous traits that are challenging for individuals to determine, the effect is considerable. But still, point out that "Global evaluations may be capable of altering perceptions of even relatively unambiguous stimuli, about which the individual has sufficient information to render a confident judgment. **Nisbett & Wilson, (1977)**

1.3 HISTORY OF SRI

Initially, religious and ethical rules were applied by investors. Various religious groups followed the screening of investment to those areas where their muslim beliefs were followed and accounted for by shariah. Quakers, a group of individuals who are a part of Religious Society of Friends welcomed the concept of investment with a social conscience debut in the 18th century to withdraw from the slave trade. Many people later adopted this philosophy and avoided investing in sin stocks such as gambling, prostitution, and cigarettes **Broadhurt et.al.**

(2002) In 1920 the concept has been used by Methodist to invest in stock market while using negative screening method.

In South Africa shareholders resolution has been filled which opposed investment in companies which are under aparthied policy in 1970, when Nelson Mandela urged individuals and groups to sell any assets that supported South Africa's discrimination, he notably advocated for the use of negative screens. **Sharpiro (1992).** Other funds avoided South African investments during the apartheid era. The disasters at Chernobyl and the Exxon Valdez raised public awareness of unfavourable environmental repercussions, influencing investment decisions **Renneboog et. al. (2008).**

The forerunners among the field of socially conscious investing, activists become more vocal in the 1970s about the United States' involvement in the Vietnam War, particularly over the deployment of chemical weapons. Shareholders write letters and pass resolutions opposing the Dow Chemicals Company manufactured the chemicals Agent Orange along with the napalm during 1969.

Sustainable investing, also known as socially responsible investing, is gained traction as a result of the anti-war movement. Pax World introduced the very first socially conscious mutual fund in the US in 1971, Having consulting for an organisation equivalent to the United Methodist Church to address issues with work, lodging, and peace, Luther Tyson along Jack Corbett founded the business. Their fund is the first extensively diverse, publicly traded mutual fund to consider social along with financial factors while making investment decisions.

After Vietnam war, there came out many groups like civil rights, anti-nuclear environment pressure groups, they all wanted to contribute towards the then initiated recognised investment policy which is socially responsible investment **Sharpiro (1992)**

In 1972 Milton J. Moskowitz , a journalist published a list of selected responsible stocks that included Social Responsible investment based mutual funds. Moskowitz's criteria have since been adopted and modified to serve as the foundation for a slew of other SRI-based funds. Many of the older funds followed a "avoidance" screening method, which aimed for market-like returns while avoiding investments in alcohol, cigarettes, gambling, weaponry, pornography, and nuclear energy. In 1973 Church investors started exchanging opinions and views among investors working in spread areas.

In the year 1981, a body of professionals for all individuals along with institutional subscribers has set up the Forum for American Social Investment as active form towards social responsible investment. After a decade in 1991 UK social investment forum established. Another expert organisation was formed in 1983 which was set up in United kingdom to perform common sources of activities of companies known as Ethical Investment Research Service , then many other social responsibility investment alternatives started all over United Kingdom. In 1989 a great initiation was introduced to with Valdez principles, these principles were accepted principles for assessing the environmental presentation of companies.

The Domini 400 Social Index debuts in 1990 Known as the MSCI KLD 400 Social Index, the Domini Index incorporates the initial capitalization-weighted index able to identify sustainable investments. In 1994, there were 26 sustainable funds available to investors, with a total asset value of Rs1.9 billion. The Kyoto Protocol, established in 1997, brings together international leaders to set goals for combating global warming.

ESG education in the 2000s along with Sustainable investment has become more popular around the world, thanks to international organisations like the United Nations. The Global Compact, based on the Sullivan Principles, was launched by Kofi Annan, then-United Nations Secretary-General, to support the application of business-related, social interactions, and governance principles for the environment in capital markets. ESG investing is a phrase coined by the endeavour. Later, the goal of sustainable investing would evolve once more, this time into specific investments looking to gain impact or having a huge impact on problems that matter to investors.

1.4 UNDERSTANDING ABOUT SOCIAL RESPONSIBLE INVESTMENT

Socially Responsible Investment (SRI) adds value by incorporating the principles of sustainability into investment decisions. This means that SRI takes into account the broader effects of investments on social as well as environmental variables in addition to financial returns. In trade periodicals containing the term "Socially Responsible Investment," "Ethical Investment" is frequently incorporated into a full synonym **Capelle et.al., (2012)**. Here's an explanation:

Social and Environmental Considerations: SRI considers the environmental as well as social facets related to companies or projects it invests in. It looks at how these investments align with

sustainable practices, as lowering emissions of carbon dioxide, encouraging ethical hiring procedures, and aiding to local development.

Long-Term Perspective: SRI recognizes that sustainable investments tend to perform well over the long term. By considering environmental and social factors, SRI aims to ensure that investments are positioned for future success and are less vulnerable to risks associated with unsustainable practices.

Ethical and Moral Values: SRI enables buyers to match their purchases with their personal or organizational virtues. As an example, the individual or institution with a strong commitment to environmental protection or social justice can choose SRI options that reflect these values.

Risk Mitigation: SRI often screens out companies with controversial or unsustainable practices, which can help reduce investment risks associated with reputational damage or legal issues.

Positive Impact: SRI seeks to generate beneficial effects on the environment along with society. Through supporting businesses and initiatives SRI investors can be part of the solution to global challenges like climate change, poverty, and inequality.

In summary, Socially Responsible Investment adds value by going beyond financial returns to consider the ethical, social, and environmental impacts of investments. It reflects a commitment to sustainability and matches investments to long-term objectives and beliefs of investors.

1.5 MEANINGS OF SOCIAL RESPONSIBLE INVESTMENT

Sustainable responsible Investments are predicated on ESG investing, boost long term relevance by using ESG parameters to reduce the danger and find growth opportunities, market return is focused for a long term perspective. Conventional financial investing is completely commercial type of investment, minimal or low consideration of ESG factors, market is focused only for financial returns. **Boffo and Patalano (2020)**

Socially beneficial investments have been made into businesses, corporations, and assets with the intention of producing both a return on investment and a positive societal and ecological impact, in accordance the organisation Global Impact Investing Network (GIIN). SRI is a form of investment technique that utilises negative screening to keep clear of businesses whose operations have detrimental social effects. **OECD (2015)**

Environmental, ethical, social, or governance principles are incorporated into the traditional process of negotiating up for a financial product (savings or investment) in a somewhat way that it stimulates the creation of socially conscious corporate policy, which led to the long-term development of society. As a result, a socially responsible investment considers both traditional financial factors such as return, liquidity, and risk, as well as the shareholder's concerns about social and environmental concerns. **Mario and Antanio (2019)**

The term "sustainable" has always been correlated with economic resilience in the business world. Sustain-ability is typically defined as the ability to generate shareholder returns that are higher than the cost of capital. A lucrative business that can be sustained over time is referred to as a sustainable business. **Berkshire (2022)**

"Social investment, socially responsible investment, ethical investment, socially conscious investment, socially conscious investment, green investment, value investment, and mission-based or mission-related investment," according to **Schueth (2003).**

Investing in products that support or adhere to specific policies or that add an extra layer of ethical, social, as well as governance factors to the evaluation of potential investments is the Socially Responsible Investing methodology. While certain investors take into account non-monetary considerations when evaluating potential investments, the development of socially responsible investing exposes the close connections among conscientious investing practices and religious beliefs. Research has clarified the significance of Sustainable investing is a long-term-focused investment strategy that incorporates environmental, social, and governance (ESG) considerations into the investigation, evaluation, and choosing of securities for a portfolio. It blends involvement along with fundamental research with an assessment of ESG variables to better capture long-term profits for shareholders and aid society by changing businesses' behaviour. **Eurosif (2016)**

SRI refers to investments that include not just economic factors like profitability and risk, but also environmental, social, and governance issues, widely known as ESG criteria; in other words, funds must always be invested in accordance with both ethical and financial considerations. **Salzmann (2013)**

There are terms like "ethical" and "socially responsible" which are frequently used interchangeably.

"The terms social investing, socially responsible investing, ethical investing, socially aware investing, socially conscious investing, green investing, value-based investing, and mission-based or mission-related investing all refer to the same general process and are often used interchangeably," according to **Schueth (2003).**

"Integrating personal ideals and societal concerns with investment decisions" is a common definition **Shank et al. (2005); Statman (2006).**

Market groups that are led by a core constituency of supporters, including institutions and wealthy individuals, business angels, financial firms, and finance companies, are typical of impact investments. Capital is being raised by responsible companies for "investments that are designed to have a social impact in addition to financial benefits" **Jackson, (2013)** Micro lending, affordable and accessible credit, social welfare funding, cultivating sustainable resources, and effective essential amenities, such as housing, medicine, education, and clean tech, are all examples of impact investments.

Similarly**, Hellsten and Mallin (2006)** have interchanged phrases "ethical investments" with "socially responsible investments."

A growing shareholders are turning to the magical square: liquidity, risk, return, and long-term viability.

Initially investment choices were made using a straightforward triangle consisting of return, uncertainty, and liquidity. this can be considered as an enhancement of the traditional homo economicus, who has been largely driven by economics **Cengiz et al. (2010).**

1.6 SCREENING OF SRI

The screening of socially responsible investment (SRI) involves the process of evaluating potential investments based on certain criteria related to environmental, social, and governance (ESG) characterstics. The screening results to identify investments that align with investors' ethical, social, or environmental values, while also seeking to achieve financial returns. The screening process typically involves analyzing company reports, ratings from ESG research firms, and other sources of ESG data to assess a company's performance against relevant criteria. Investors may also engage with companies through dialogue or shareholder advocacy

to encourage improvements in ESG practices. By incorporating SRI Investors can match their values to their portfolios by including screening within their investment strategy. while promoting sustainable and responsible business practices. Additionally, SRI strategies have gained popularity as more and more investors understand how important it is to take environmental, social, and governance concerns into account when making investments decision-making.

There are typically several approaches to screening for SRI:

Negative screenings: The'sinful troika' of drink, cigarettes, and gambling was the subject of negative screens. They include the use of nuclear weapons, arms trafficking, animal experimentation, authoritarian governments, and actions that harm the environment as well as society. The use of tobacco, alcohol, gambling, the creation of violent or pornographic content, the manufacturing and distribution of arms, the deployment of nuclear control, the needless exploitation of animals, bad environmental practices, violations of rights for humans, and strained relationships with suppliers, customers, or workers are some of the Friends Provident Stewardship's negative criteria. Ethical Investors, a huge investment consultancy, offers a similar list, though it excludes nuclear power.

Table 1.2 Negative Screening

Screens	Definition
Liquor Companies	That manufacture, distribute, or otherwise encourage the use of alcoholic drinks
Cigarette	Pproducers of products containing tobacco
Playing gambling	Gambling clubs and vendors of gaming accessories
Nuclear Energy	Firms that run nuclear power facilities and those who manufacture nuclear reactors along with associated equipment
Weapons	Businesses that manufacture weapons for individual use
War Defence Contracts	Manufacturing of armaments for foreign or local armies
Careless International Operations	Investment in repressive states like China or Burma as well as abuse of regional peoples
Birth/Abortion	Providers of controlled abortions; pharmaceutical corporations that produce and market abortion drugs; insurance firms that cover the cost of elective abortions (where not required by law); or

	businesses that give money to Scheduled Parenthood; producers of contraceptive goods
Extortion; loaning; overcharging	Fixed income instruments, bonds, and predatory financing
Erotica	Publications with explicit content, production firms that provide objectionable videos and audio content, and businesses that heavily support violent and graphic television shows

Source: Geczy & Stambaugh (2005)

Positive screening: Positive screens, on the other hand, seek to discover businesses that engage in proactive measures that benefit workers, the neighbourhood, society at large, and the environment. Positive screening-based Investing selections are frequently referred to as the cutting edge of socially responsible investing. Moral work practices practises (similar justice as well as nondiscrimination rules, workplace security, respectable salaries, union membership, and so on) and environmental safety protocols (pollution control, energy conservation, recycling, and so on) are examples of positive screens. Some, like Stewardship's, also have criteria for companies that are working in "new technologies that contribute to the betterment," such as biofuels. **Youseff & Whyte, (2013)**

Table1.3 Positive screening

Assess/Screen	Meaning
Services as well as goods	Robust investment in research and development, testing, and product safety; prevention of consumer scams, antitrust infractions, and marketing catastrophes.
Welfare of animals	Aims to promote the humane way that people treat animals; shuns the application of animals as final products, killing and trapping equipment, and animal experimentation.
Working conditions and employment relations	Steers clear of slave labour and labour abuse in favour of solid union ties, worker empowerment, as well as profit sharing. Variety Senior management along with the governing board of directors actively sought out and included representation from women, minorities, gays and lesbians, or people with disabilities.

The atmosphere	Stays away from businesses that cause pollution, make harmful products, or fuel global warming; instead, they try to be proactive in recycling, cutting waste, and cleaning up the environment.
Rights of humans	Avoids businesses that are in some way involved in breaches of human rights and looks for businesses that are advancing these standards.
Sustainable	Hydroelectricity dams, fuel cell technology, geothermal power, solar power, and possibly wind power are examples of energy sources.
Engagement/Investment in the Community	Proactive involvement in the areas in which it operates through funding philanthropic endeavours, staff volunteerism, and possibly real estate and educational initiatives

Source: Geczy & Stambaugh (2005)

1.7 SOCIAL RESPONSIBLE INVESTMENT IN INDIA

In 2015, the India filed its nationally determined contributions (NDCs) under the Paris Agreement. outlining its plans for the period from 2021 to 2030. These commitments involve a significant investment, estimated at around USD 2.5 trillion, spanning from 2015 to 2030. India has also pledged to actively work towards attaining the Sustainable Development Goals (SDGs), thus reaffirming its dedication to pursuing a path of development that prioritizes sustainability and growth without causing harm to the environment.

The ESG indices provide investors with benchmarks to evaluate the ESG performance of companies listed on Indian stock exchanges. They help investors identify and make investments in businesses that place a high priority on social accountability, the preservation of the environment, and sound governance processes, matching their capital to their sustainable growth objectives and beliefs.

Table 1.4 Some of the Social Responsible Investment Indices in India

Stock market	Indices
BSE	S&P BSE 100 ESG Index S&P BSE Carbonex S&P BSE Greenex
NSE	Nifty 100 ESG Nifty 100 Enhanced ESG Nifty 100 ESG sector Leaders Index

Source: BSE sensex and NSE India

The SRI funds and initiatives in India cater to investors who want to invest in companies and projects that support a more ecological world and are consistent with their principles and responsible future. Before investing, it's essential for individuals to review the specific investment strategies, performance track record, and ESG criteria of these funds to make sure they complement their financial goals and individual values.

Table 1.5 Some of the SRI funds

S.No	Fund Name
1.	SBI Magnum Equity ESG
2.	Quantum India ESG Equity
3.	Axis ESG Equity Fund
4.	Aditya Birla Sun Life ESG Fund
5.	ICICI Prudential ESG Fund
6.	Kotak ESG Opportunities Fund
7.	Quant ESG Equity Fund
8.	Invesco India ESG Equity Fund
9.	Mirae Asset Nifty 100 ESG Sector Leaders ETF

Source: Yahoo finance

Finally, a decision has been made about the Business Responsibility and Sustainability Report, which consider a new set with reporting guidelines of ESG measurements (BRSR). To assist the companies in understanding the scope of the disclosure, a guidance note is included with

the BRSR. Nine principles make up the National Guidelines on Responsible Business Conduct (NGBRCs), and BRSR asks listed organisations to provide information about how they are doing in relation to each of these nine principles. The goal of the BRSR is to provide standardised and quantifiable declarations on ESG criteria so that they can be compared across markets, companies, and eras. Investors will be able to make wiser investment decisions thanks to these disclosures, which will benefit them. Investors will benefit from these disclosures by making wiser investing choices. By encouraging companies to take into account aspects other than just earnings, such environmental and social implications, the BRSR will also assist firms in developing more meaningful relationships with their stakeholders.

The National Guidelines on Responsible Business Conduct were developed by the Ministry of Corporate Affairs in addition to the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business, 2011 (NVGs) (NGRBC). These recommendations exhort enterprises to implement the criteria in letter and spirit. (**SEBI | BRSR fundamental - Structure for ESG Transparency and Compliance in the Value Chain**)

The principles involved are:

Principle 1: Companies should act honourably, responsibly, openly, and transparently in all aspects of their operations.

Principle 2: Companies ought to deliver products and services in a way that is secure and environmentally friendly.

Principle 3: All employees, especially those who are part of their chains of value, should be respected and their health and happiness should be encouraged.

Principle 4: All stakeholders' interests should be respected, and businesses should respond to them.

Principle 5: Human rights should be upheld and supported by businesses.

Principle 6: Companies ought to respect the environment and work to preserve and improve it.

Principle 7: Businesses should act responsibly and transparently when influencing governmental and regulatory policies.

Principle 8: Enterprises ought to encourage equal development and comprehensive growth.

Principle 9: Companies should interact with customers in a responsible way and give them value.

The government's Ministry of Corporate Affairs is implementing a number of measures to guarantee that businesses are conducting themselves responsibly. By 2009, the 'Voluntary Guidelines on Corporate Social Responsibility' came into effect, marking the beginning of the integrating of an idea of company responsibility. The National Voluntary guidelines concerning Social, Environmental, and Economic Responsibilities of Business, 2011 (NVGS) is the amended version of these recommendations that were later released following extensive consultations with the government, academia, business community, and civil society bodies. The NVGs were created with consideration for both international best practices of the social and cultural setting and interests of India.

The United Nations Guiding Principles on Business & Human Rights (UNGPs) are only one of the national and international initiatives that have pushed corporations to be more sustainable and responsible during the past ten years. These turned into the main forces behind more guidelines adjustment. Among these is the Companies Act, 2013 (Act)'s emphasis on companies paying closer attention to their stakeholders. According to Section 166-266 of the Act, directors of companies have fiduciary duties to advance the company's goals for the good of all of its members as well as in the best interests of the business, its workers, its investors, the community, including the natural world. Additionally, it was necessary to highlight India's commitment to the Sustainable Development Goals (SDGs) and to more clearly illustrate how the UNGPs, which are based on the UNHRC's "Protect, Respect & Remedy" the Framework, are being implemented in India.

By means of its "Listing Regulations" in 2012, the Securities and Exchange Board of India (SEBI) required the top 100 listed businesses based on market capitalization to submit Business Responsibility Reports (BRRs) covering environmental, social, and governance aspects. In order to engage businesses more deeply with the people they serve beyond regulatory monetary compliance, these BRRs allowed enterprises to demonstrate the adoption of the NVG principles and the accompanying basic aspects. In FY 2015–16, this was expanded to include the top 500 corporations. This brought optional reporting about sustainability, that is still in its infancy, to Indian enterprises for the first time.

The Committee on Business Responsibility Reporting (BRR) was established by the Ministry of Corporate Affairs to create BRR forms for both listed and unlisted enterprises, in addition

to updating NVGs and formulating NGRBCs. A growing number of organisations are using non-financial disclosure as the foundation to boost investor trust and improve their creditworthiness. In order to avoid adding to or duplicating the reporting load, the Committee is tasked with creating thorough yet straightforward formats that place the many stakeholders at the centre. From an NGRBC perspective, the suggested forms should show connections to widely used non-financial reporting formats, such as Global Reporting Initiative (GRI), Integrated Reporting (IR), etc.

By 2020, the Ministry of Corporate Affairs is also working with other Ministry and the state governments to produce India's National Action Plan on Business & Human Rights (NAP). Additionally, a Zero Draft of India's NAP that shows how the three UNGP pillars are being implemented has been made public and posted on the Ministry's website. Pillar I: The State's Obligation to Uphold Human Rights. Pillar II: The Corporate Obligation to Uphold Human Rights. Pillar III: Obtaining Remedy Access. (**UNGPs and India's National Action Plan**, **2018**)

1.8 INTEGRATION OF SUSTANABILITY IN THE ELEMENTS OF INVESTMENT

In the landscape of contemporary investment strategies, an extensive review of literature reveals a progression towards the integration of sustainability within financial decision-making paradigms. The integration of sustainability into investment practices has emerged as a pivotal approach in contemporary finance, emphasizing the incorporation of environmental, social, and governance (ESG) factors into investment decision-making processes. This paradigm shift reflects a broader recognition of the interconnectedness between financial performance, environmental stewardship, and social responsibility **Giese et al., (2019)**. The journey commences with **Willem and Schramade's (2019)** seminal work, illustrating the nexus between sustainability and core business elements such as models, strategy, and competitive positioning. **Marinilka et. al. (2013)** further expand this narrative by exploring the incorporation of life-cycle assessment, eco-efficiency, and full-cost accounting techniques into capital budgeting decisions, offering practical methodologies for sustainability integration. Building upon this foundation**, Dirk Schoenmaker's (2018)** discourse emphasizes the pivotal role of investors in fostering long-term value creation by aligning financial, social, and environmental aspects. **Mirjam Staub-Bisang's (2015)** research highlights the economic advantages derived from consistent and comprehensive sustainability strategies adopted by

leading Swiss multinational corporations. In parallel, **Leleux and Kaaij (2019)** scrutinize the adoption of sustainability principles by major financial investors across various investment schemes and practices. **Roger Urwin (2010)** contributes a holistic model of sustainable investing that amalgamates traditional institutional decisions with contemporary extra-financial factors like ESG considerations and active ownership. Lastly**, Karen Wendt's (2021)** taxonomy of green investments and proposed low carbon benchmarks offer a structured framework for investors to gauge and report sustainability compliance in their portfolios. This synthesized narrative presents a comprehensive overview of the evolution and multifaceted nature of integrating sustainability within the elements of investment, providing valuable insights and frameworks for further academic exploration and empirical research in this critical domain.

Figure 1.1 Integration of sustainability in elements of investment
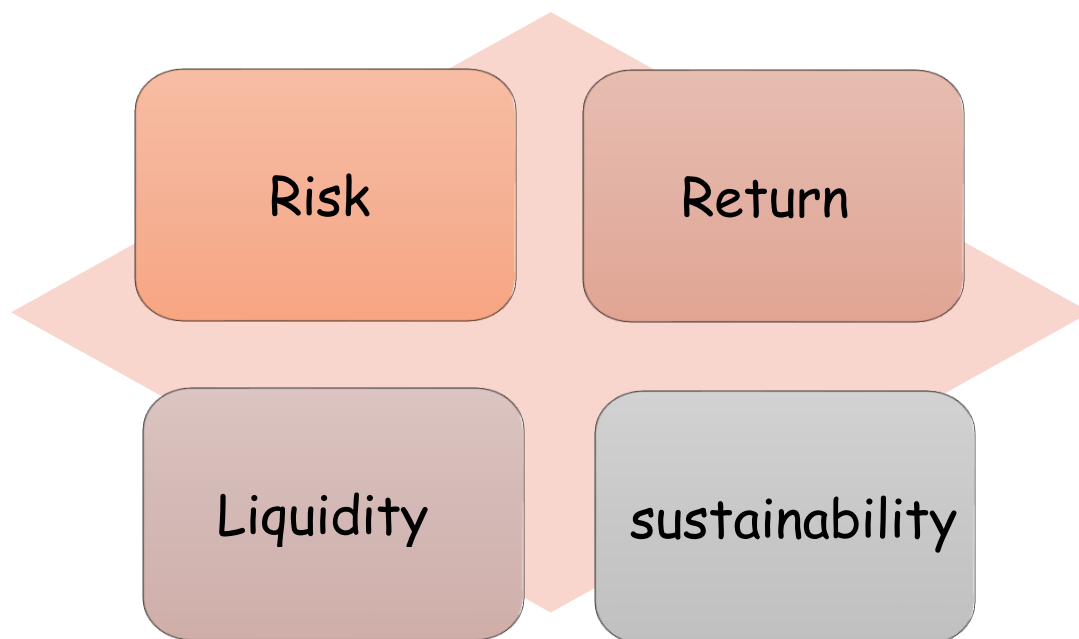
Source: Salzmann, A. J. (2013)

CHAPTER 2

REVIEW OF LITERATURE

2.1 INTRODUCTION

Conducting research is incomplete without drawing upon existing studies and relevant literature. Literature review plays a crucial role in pinpointing research gaps and averting redundancy. It enables researchers to make informed decisions by leveraging insights from prior work. In this section of the study, a comprehensive discussion of previous studies forms the groundwork for the current investigation.

2.2 BACKGROUND OF THE STUDY

Socially responsible investment is still not as big as traditional investment in India. It is still a rapidly growing market. The findings show that firms that perform well on material matters beat those that perform poorly on material topics, indicating that material investments add value to shareholders. Firms that score well on immaterial sustainability themes, on the other hand, do not outperform firms that perform poorly on immaterial sustainability topics, indicating that sustainability investments are at a minimum. **Khan et al. (2016)**

According to **Berensmann and Lindenberg (2016)**, a major challenge in green finance is the lack of a standard definition and asymmetric information, which often leads to greenwashing— where misleading information is provided about the environmental benefits of financial products like green bonds.

As stated in the **RBI report on Green Finance in India: Progress and Challenges**, by **June 2020**, 60% of the world's top 100 major businesses had pledged to support the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This shows growing global commitment, but India still struggles with regulatory gaps and definitional clarity in green finance.

According to Economic Times, the fundamental question is whether sustainable investment will be perceived differently from traditional investing in India, attracting more investors wanting to make a constructive contribution to society while earning good returns, or whether sustainable investing would be clubbed in with regular investing. Sustainable investments, according to a Morningstar research, have lower negative risk than standard investments. Some analysts feel that ESG ratings will have an impact on firms P/E ratios in the near future. A

growth in ESG fund demand will normalise the expense ratio, which was previously a stumbling block.

According to the Arabesque Asset Management report of why ESG, they have discovered that incorporating sustainability factors into our strategies improves absolute and relative performance while reducing volatility and withdrawals. At the same time, we support long term thinking and support beneficial societal and environmental effects by avoiding distributing capital to enterprises that perform poorly on sustainability problems.

According to a Morgan Stanley poll on sustainable investing, 85 percent of individual investors in the United States are interested in doing so. Individual investors in the United States will want more product that meets their interests and impact measuring skills as the market grows.

Let us look at Indian and Foreign ESG Funds in Indian market and foreign market

Table 2.1 Indian ESG Funds

Fund Name	**Inception Date**
1. SBI Magnum Equity ESG Fund	August 2018
2. Quantum India ESG Equity Fund	July 2019
3. Axis ESG equity regular growth	Feb 2020
4. ICICI Prudential ESG Fund	Oct 2020
5. Mirae Asset ESG sector Leaders ETF	Nov 2020
6. Aditya Birla ESG Fund	Dec 2020
7. Kotak ESG opportunities Fund	Dec 2020

Source: Morningstar.in

Table 2.2 Foreign ESG Funds

Fund Name	**Inception Date**
1. Vanguard FTSE Social Index Fund	Jan 2003
2. 1919 Socially Responsive Balanced Fund Class A	Nov 1982

3. Brown Advisory Sustainable Growth Fund Institutional	June 2012
4. Ishare Global Clean Energy ETF	June 2008
5. Shelton Green Alpha Fund	March 2013
6. Ishare MSCI Global impact ETF	April 2016
7. AB Sustainable Global Thematic Fund;A	March 1982

Source: Forbes Advisor

There is a need to study about the total assets of these above-mentioned funds.

Table 2.3 Total assets of Indian funds

Indian Fund Name	Approximate Total assets as of July 2021
1. SBI Magnum Equity ESG Fund	Rs 3922 Cr. (since 1991) become ESG from 2018
2. Quantum India ESG Equity Fund	Rs 45 Cr.
3. Axis ESG equity regular growth	Rs. 1917 Cr.
4. ICICI Prudential ESG Fund	Rs. 1841 Cr.
5. Mirae Asset ESG sector Leaders ETF	Rs. 149 Cr.
6. Aditya Birla ESG Fund	Rs. 973 Cr.
7. Kotak ESG opportunities Fund	Rs. 1701 Cr.

Source: Morning star

Table 2.4 Total assets of foreign funds

Foreign Fund Name	Approximate Total assets as of July 2021
1. Vanguard FTSE Social Index Fund Institutional	$13.2 billion

2. 1919 Socially Responsive Balanced Fund Class A	$716.39 million
3. Brown Advisory Sustainable Growth Fund Institutional	$3.354 billion
4. Ishare Global Clean Energy ETF	$6.16 billion
5. Shelton Green Alpha Fund	$308.86 million
6. Ishare MSCI Global impact ETF	$478.36 million
7. AB Sustainable Global Thematic Fund;A	$904.00 million

Source: Morning star

If we look at the returns of the Indian and foreign, to make a comparison of growth of ESG funds in Indian and Foreign finance market

In India there is a need to discover the poll on sustainable investing decision making pattern of individuals.

2.3 PERFORMANCE OF SRI FUNDS IN COMPARISON TO MARKET

The discussion around socially responsible investment (SRI) has evolved over decades, with early studies providing foundational insights into the ethical and financial implications of sustainable investing. **Belkaoui (1976)** explained that the pollution control expenditures disclosure has a significant and lasting impact on stock market performance. Under the unaware investor hypothesis, this establishes the persistence of an "ethical investor," highlighting early recognition of the financial relevance of environmental responsibility.

In the **1990s**, several researchers explored the motivations and behaviors of ethical investors. **Warren et al. (1990)** categorized investors based on lifestyle factors into light stock/bond shareholders and heavy stock/bond investors, suggesting that ignoring lifestyle traits in investor segmentation overlooks key distinctions. **Owen (1990)** and later **Cummings (2000)** described social values as "existed ideas that individuals have about suitable type of choice and belief." These values influence ethical investors' decisions, which are likely to differ based on social contexts and societal roles. **Hamilton & Statman (1993)** offered a critical insight by stating that socially responsible investors might be disappointed in their returns, potentially

undermining hopes of achieving profitability while doing social good. **Blarney and Braithwaite (1997)** further contributed by defining value as the long-lasting belief that one's intended behavior is personally or socially preferable to other alternatives, describing values as "the socially acceptable embodiment of individual wants."

The turn of the century saw a shift toward mainstream acceptance of SRI. **Sparks and Cowton (2004)** argued that the "mainstreaming" of SRI—its adoption by wealthy individuals beyond charitable or niche circles—was a pivotal step. This transition has the potential to pressure companies to fully embrace corporate social responsibility (CSR).

Moving into the **2010s**, studies began evaluating SRI in specific economic contexts. **Tripathi and Bhandhari (2012)** examined the performance of green and non-green stock portfolios during crisis periods. Their findings supported the resilience of socially responsible investments, particularly during or after market crises, indicating changing investment behavior in response to economic uncertainty. **Managi and Matsuda (2013)** found that in both the EU and the US, SRI funds on average outperformed conventional funds, with particularly strong performance in the EU where SRI became one of the best-performing asset classes.

Galema (2008)—though predating some of these later studies—used portfolio analysis to show that SRI can significantly affect stock returns, especially in portfolios strong in diversity, environmental factors, and ethical products. This study added empirical weight to the argument that SRI can deliver competitive or superior financial performance.

In **2020**, **Vyas et al. (2020)** discussed the evolving nature of consumer and business values. They noted that customers' changing attitudes toward their surroundings and environmental impact have prompted businesses to rethink green marketing strategies and their stance on carbon emissions. This represents a societal shift that reinforces the growing appeal of SRI strategies among both investors and businesses.

More recently, in **2021**, **A (2021)** explored the distinction between CSR and SRI. The study suggested that CSR has increasingly become a marketing tool, allowing companies to promote achievements while avoiding accountability in areas where they fall short. This observation highlights the importance of genuine, transparent SRI practices in contrast to surface-level CSR efforts.

Culminating this body of research is the broader reflection that the performance of SRI funds,

compared to the broader market, continues to generate mixed results. Some studies report that SRI funds yield comparable or even superior returns to traditional funds, while others point to slightly lower returns. Proponents argue that ESG integration supports better risk management and long-term sustainability, while critics note that excluding certain industries or firms may reduce diversification and lead to underperformance. The results often depend on the screening criteria, time period, and methodologies used. Despite these differences, the increasing global interest in sustainable investing reflects a trend toward valuing non-financial metrics alongside traditional financial performance.

2.4 DEMOGRAPHY

The exploration of how demographic variables influence investment decisions has evolved significantly over the years. **Lewellen et al. (1977)** were among the first to establish that investment preferences are impacted by investors' age, gender, income, and education. As financial literacy emerged as a vital factor in shaping investment behavior, **Chen and Volpe (1998)** emphasized that individuals with sound financial understanding are better able to make wise choices in borrowing, saving, and investing. Building on this, **Laroche et al. (2001)** highlighted the growing importance of advertising and educating consumers about green products, observing that more businesses are now promoting the ease of purchasing environmentally safe products. They also noted that women, particularly those who are married with children, are more inclined to purchase environmentally friendly items. Around the same time, **Tippet and Leung (2001)** identified a distinct profile of ethical investors in Australia—mainly young, female, and well-educated individuals who preferred limited portfolios, distinguishing them from the general investor population.

Research across different regions supported these findings. **Gazali and Othman (2004)** compared active and passive investors in Malaysia, discovering significant demographic differences based on monthly earnings, household income, gender, age, and occupation. Conversely, **McLachlan and Gardener (2004)** argued that demographics had no significant influence on investment decisions in their comparison of conventional and ethical investors. However, the role of financial knowledge remained undisputed. **Edmiston and Gillett-Fisher (2006)** found that informed financial decisions often correlate with greater financial knowledge, and **Lyons et al. (2008)** supported this by demonstrating how financial education and expertise positively influence both knowledge and behavior.

With the rise of Socially Responsible Investment (SRI), further studies examined how demographics influence ethical investment choices. **Cheah et al. (2011)** warned against oversimplifying the impact of demographic traits, stressing that while these traits influence preferences, they are not the sole drivers of support for Corporate Social Responsibility (CSR) initiatives. Their study found that younger and wealthier SRI investors were more likely to disagree with the belief that socially responsible companies are more profitable or that businesses should prioritize shareholders over broader social responsibilities. **Fares and Khamis (2011)** reinforced the relevance of behavioral factors such as age, education, internet access, and broker interaction in shaping trading decisions.

Delving deeper, **Berry (2010)** asserted that education is closely associated with interest in SRI, reflecting broader social awareness. Gender, when combined with wealth and risk tolerance, further influenced interest in ethical investing. He suggested that wealthier and male investors may require additional effort to recognize the value of SRI. Expanding the geographic context, **Mark et al. (2017)** emphasized the role of age, wealth, gender, education, marital status, and investment experience in predicting investment preferences among investors in Mainland China and Hong Kong. Likewise, **Sahi (2017)** found that higher education leads to increased awareness of moral and ethical challenges, influencing individuals' interest in the social aspects of investing. He also pointed out that married individuals often make financial decisions jointly, underlining the relational dimension of investment behavior.

Further highlighting marital status, **Farayibi (2015)** reported that 60 percent of financial sector respondents in his study were married males aged 30 and above, attributing their daring investment choices to emotional stability and maturity. On the other hand, **Borgers and Pownall (2014)** showed that SR investors often come from higher income groups, as these individuals are better positioned to absorb the costs of supporting environmental and ethical causes.

In line with this, **Dorfleitner and Nguyen (2018)** found that women and younger investors are more inclined towards gradual investment allocation, while those with larger portfolios prefer smaller yet consistent allocations toward responsible investments. Their bivariate analysis revealed significant correlations between SRI attitudes and demographic factors like gender, education, and wealth. They also noted that women and highly educated individuals were willing to forgo higher returns in favor of strong social values, and wealthier investors showed

a preference for investing in ethically aligned companies. Their study further examined variations across age groups and gender, identifying differences in perception and behavior related to responsible investing.

Reinforcing these trends, **Lan et al. (2018)** used survey data from approximately 9,000 Chinese investors to demonstrate how demographic characteristics can predict choice behaviors. **Jonwall et al. (2023)** provided one of the most recent and India-specific studies, noting that Indian SR investors are mostly male, aged 30 to 40, well-educated, and earning between 10 to 20 lakhs annually. Their study revealed that these investors differ from conventional ones in terms of SRI awareness, attitudes toward ESG issues, and underlying values and beliefs.

2.5 INVESTMENT EXPERIENCE AS A TRADING BEHAVIOUR ATTRIBUTE

Over time, numerous studies have explored the critical role of investment experience, financial knowledge, and ESG criteria in shaping investors' decision-making. The intersection of these factors has become increasingly important as sustainable investing gains global momentum.

The significance of simulated investment experience was demonstrated by **Meike et al. (2015)**, who employed a novel method to convey the risks linked to financial products with the aim of helping investors make better-informed choices. Their study revealed that simulated experience significantly enhanced participants' comprehension of the inherent risk-return profile of financial products. As a result, individuals were prompted to re-evaluate their investment decisions, becoming more open to riskier financial options without expressing regret over their increased risk-taking tendencies. This increased awareness and understanding may lead to a greater willingness to include SRI (Socially Responsible Investment) tenets in their portfolios. Conversely, less seasoned investors were observed to prioritize immediate financial benefits over the broader social and environmental impacts of their decisions, highlighting how experience strongly influences attitudes toward sustainable investing.

Building on this foundation, **Jekaterina et al. (2015)** conducted research in Lithuania, focusing on individual investors. The study aimed to identify both similarities and differences in the behaviour of investors across different levels of investment experience. More importantly, the authors attempted to establish a link between investment experience and the **rationality** of the financial decisions made. This study reinforced the idea that experienced investors are more likely to make reasoned and ethical investment choices, especially when compared to their less

experienced counterparts.

In the United States, **William et al. (2017)** investigated how prior portfolio choices influenced investor behaviour. They found that decisions made at the beginning of an investor's trading career and in the most recent trading periods were the most impactful. Their findings stressed the need to combine investment knowledge with experience in order to enhance portfolio construction. This combination allows investors to better balance personal values with financial objectives, an important factor in SRI strategies.

The research by **Vostrikova & Meshkova (2020)** drew on international experiences to explore the adoption and impact of Environmental, Social, and Governance (ESG) criteria. Their study found that the integration of ESG helps companies to mitigate risks**,** build reputations, and enables investment funds to make more high-quality investment decisions. At the same time, **Talha et al. (2020)** observed that both the experience and size of a fund have a moderate influence on socially responsible behaviour, pointing to structural and organizational dimensions that reinforce individual investor tendencies.

In another study from **Indonesia**, **Kurniawati et al. (2020)** examined investor behaviour in the Klaten Regency capital market, focusing on factors like investment knowledge, perception of risk**,** income, and investment expertise. They used questionnaires and employed purposive sampling to collect data. Their findings suggested that an individual's exposure to socially responsible investment (SRI) can have a strong influence on their investment decisions. Specifically, experienced investors were more likely to recognize the advantages of SRI, such as risk reduction from governance, environmental, and social issues, as well as aligning investments with personal ethical values. As investors accumulate experience, they become more conscious of the long-term implications of their financial decisions and the importance of non-financial factors, not just conventional profit metrics.

This connection between experience and decision-making was also explored in **Haidong et al. (2021)**, who analyzed how investment expertise and financial knowledge affect cryptocurrency investment behaviour. Their goal was to determine which factor—experience or literacy—has a stronger influence. The study revealed that investment experience had a greater impact on decision-making than financial literacy. This highlighted a broader implication for SRI: actual experience in markets sharpens an investor's ability to integrate social responsibility into their investment philosophy more effectively than knowledge alone.

2.6 INVESTMENT FREQUENCY AS TRADING BEHAVIOUR ATTRIBUTE

The study of investment frequency—the rate at which individuals or entities engage in buying or selling financial assets—has garnered increasing attention within the broader context of investment behavior. This frequency reflects the level of activity within a person's investment portfolio and is shaped by various psychological, demographic, and strategic factors. One of the early significant contributions to this area was made by **Dhar and Zhu (2006)**, who drew upon research from social psychology and experimental economics to postulate that variations in investor knowledge of the market and trade frequency contribute to differences in an individual's disposition effect. Their findings highlight that investors may demonstrate varied trading frequencies based on factors such as financial goals**,** risk tolerance**,** market conditions, and investment strategies. While some individuals prefer to make occasional, long-term investments, others engage in frequent trading, reacting to market fluctuations or emerging opportunities. The implications of these behavioral tendencies are significant, as investment frequency can directly impact portfolio performance**,** transaction costs, and long-term wealth accumulation. Dhar and Zhu's research thus laid the foundation for understanding the importance of aligning investment frequency with one's personal goals and behavioral profile.

In the Indian context, **Geetha and Ramesh (2012)** sought to investigate the driving forces behind heightened investment activities among young professionals. Their study focused on the trading patterns of young investors through a meticulously designed questionnaire-based survey. Primary data was gathered from 200 individuals aged between 25 to 35 years in the Lucknow region, aiming to analyse the factors influencing investment behaviour in the stock market. The results indicated that investment frequency can vary widely—from weekly to monthly, quarterly, bi-annually, or annually. According to their findings, most individuals preferred to invest on a monthly or quarterly basis, striking a balance between market engagement and manageability. The study also revealed a strong correlation between demographic factors—including age, gender, and income—and the frequency of investment. These insights offered a detailed snapshot of how young investors interact with the market and provided a demographic framework for further behavioral investment research.

Adding further depth to this topic, **Ansari and Moid (2013)** examined similar patterns of investment among young individuals but arrived at a slightly different conclusion. Their study concluded that investment tendencies among young investors appeared to remain unaffected by age, income levels, or gender, suggesting that demographics alone may not fully explain

variations in trading behavior. This finding challenged prior assumptions and indicated that psychological or situational factors could play a more dominant role in influencing how often people invest.

As the literature evolved, a broader perspective was introduced by **Barber and Odean (2013)**, who emphasized that investment frequency is a crucial component of investing behavior, reflecting the level of portfolio activity. They examined how different levels of trading frequency affect both short-term and long-term investment outcomes, offering a foundational framework to measure the efficiency and effectiveness of trading strategies. Their work underlined that higher frequency trading may sometimes lead to diminishing returns, due to increased transaction costs and emotional decision-making, while also acknowledging that low-frequency investing can help preserve long-term value and reduce volatility.

Expanding on this, **Ronald et al. (2021)** presented a focused analysis of the optimal frequency of investment that can maximize the expected terminal value of wealth. Their study investigated the direct link between investment decision frequency and long-term outcomes, aiming to identify the rate at which investing produces the highest financial benefit over time. According to their report, most investors prefer to make their investments on a monthly or quarterly basis, aligning with earlier findings. Furthermore, the study confirmed an absolute correlation between all demographic factors and an individual's investment frequency, reinforcing the importance of personal characteristics in determining market engagement. Their research suggests that carefully calibrating one's investment frequency in line with individual financial goals, preferences, and constraints is critical for optimal portfolio performance.

2.7 APPROACHES OF INVESTMENT AS TRADING BEHAVIOUR ATTRIBUTE

Investment behavior is shaped by a complex interplay of personal preference, social influence, technical understanding, and cultural context. Over time, scholars have explored how these approaches of investment interact to shape investor decision-making.

Bandura (1989) laid early groundwork in the field of behavioral finance by discussing the concept of reliance on experts as a coping mechanism. According to his theory, individuals tend to surrender control and delegate financial decisions to professionals perceived as more competent, as a way to minimize psychological stress and improve financial outcomes. This foundational understanding provides a lens through which later findings can be viewed, particularly regarding investor reliance on brokers and advisors.

In the context of market prediction, **Lui and Mole (1998)** highlighted that financial professionals employ various methodologies—including technical analysis**,** fundamental assessments, and the capital asset pricing model (CAPM)—to evaluate risk and return. Their study outlined how fundamental analysis considers the broader economic environment**,** company performance, and industry trends as part of investment decision-making. Additionally, a variety of forecasting tools are used by experts to predict market movements over multiple time horizons, reinforcing the dynamic and analytical nature of professional investing.

Building on the psychological and analytical frameworks, **Wood and Zaichkowsky (2004)** observed that despite the increasing digitalization of trading, a significant portion of investors still prefer to make investments in person or via telephone with brokers or advisors. They reported that only 32% of investors trade online, illustrating a continued reliance on interpersonal trust and professional guidance, echoing Bandura's earlier theory of control delegation.

Cultural dimensions have also played a critical role in investment behavior. In India, the joint family system contributes significantly to decision-making structures. According to **Gill et al. (2011)**, younger family members often seek guidance from elders when making major life or financial decisions. This notion is further reinforced by **Kaur and Kaushik (2016)**, who explained that the expansion of families through marriage intensifies the influence of familial structures on investment behavior. These findings suggest that family culture may have a major impact on how individual investors assess and approach financial decisions, particularly in traditionally conservative markets.

In the realm of Socially Responsible Investment (SRI)**, Escrig-Olmedo et al. (2013)** conducted a significant study on Spanish investors, revealing that SRI was still in its early developmental stage in Spain. The researchers found that investors lacked sufficient knowledge about social and environmental concerns, which impaired their ability to make informed ethical investments. The study concluded with recommendations for financial institutions, fund managers, and investors to enhance education and awareness surrounding sustainable financial products, thereby nurturing a more socially responsible investment environment.

The influence of reference groups in investment behavior was investigated by **Raut et al. (2018)**, who found that social influences from friends and family can significantly impact

investment decisions, particularly in ethical and sustainable products. Expanding on this, **Raut et al. (2020)** and **Godin and Kok (1996)** explained that subjective norms—driven by unfamiliarity with SRI in capital markets—could shape how individuals respond to peer and family pressure. These social dynamics underline the importance of awareness-building and social exposure in promoting SRI adoption.

At a time when sustainability awareness is growing globally, **Palacios and Chamorro-Mera (2019)** emphasized that individuals inclined toward socially conscious investments respond more positively to advertising messages that highlight the personal impact of their financial decisions. Their research advocates for marketing strategies that frame SRI as a vehicle for environmental and social influence, making the investment decision both personal and empowering.

In terms of technological tools and financial modelling, **Moeini et al. (2020)** introduced the application of time series prediction techniques to evaluate return distributions and forecast expected returns for various assets. Their study underscores the increasingly data-driven approach to financial decision-making and the role that predictive analytics plays in both traditional and ethical investing frameworks**.**

Zooming in on the Indian context, **Teoh et al. (2021)** presented more recent data showing a higher level of awareness and openness to stock market investments among the younger generation in India. Their research highlighted that both males and females aged 21 to 35 are showing a growing preference for stock investments over traditional bank savings. This marks a notable generational shift toward more active and potentially higher-return investment vehicles, supported by greater access to information and technological platforms.

2.8 TYPE OF INVESTOR AS A TRADING BEHAVIOUR ATTRIBUTE

One of the early contributions to this understanding comes from **Wood and Zaichkowsky (2004)**, who examined the behavioral patterns of conservative long-term investors and confident traders. According to their findings, conservative long-term investors, who tend to hold fewer stocks and trade less frequently, often display lower levels of confidence and control. This group is particularly notable for including a significant number of female investors, who are more inclined to seek guidance from financial advisors and follow cautious investment strategies. In stark contrast, confident traders—characterized by frequent trading activity and larger, riskier

portfolios—demonstrate greater confidence in their own decision-making and typically operate with less reliance on external advice. These two groups highlight the divergent approaches taken by individuals based on their risk tolerance and behavioral tendencies.

Incorporating risk tolerance into investment strategies benefits both individuals and institutions. According to **Vostrikova and Meshkova (2020)**, aligning investments with risk profiles can reduce financial risk, enhance corporate reputation, and improve decision-making. This approach is especially relevant when distinguishing between long-term and short-term investors. Long-term investors, typically risk-averse, prefer stable, low-volatility portfolios aligned with long-term goals. In contrast, short-term investors, often more risk-seeking, pursue quick gains through active trading and higher-risk assets. Tailoring strategies to these profiles allows financial institutions to offer personalized products and effective risk management.

Building on these foundational insights, **Ainia and Lutfi (2019)** provided a more formal classification system, categorizing investors as risk-seekers, risk-neutral, or risk-averse**.** Their work emphasized that risk-seeking investors are more inclined to take on high-risk, high-reward opportunities, while risk-neutral investors evaluate options based primarily on expected returns, without placing strong emphasis on risk. In contrast, risk-averse investors prefer stability and security, often adopting conservative investment approaches**.** These individuals frequently consult financial advisors and aim to minimize exposure to market volatility. The study underscores how risk tolerance fundamentally defines investment paths and decision-making processes.

2.9 RISK APPETITE AS TRADING BEHAVIOUR ATTRIBUTE

The concept of **risk appetite** has long been a subject of interest in behavioral finance, as it significantly influences investor decision-making. **Wood and Zaichkowsky (2004)** observed that investors who actively engage in trading tend to show a significant increase in their risk tolerance. Their findings suggested that regular exposure to the market enhances confidence and diminishes the perceived fear of risk, thereby encouraging bolder investment decisions over time. In contrast, greater dependency—such as reliance on others for financial support— typically reduces risk tolerance, while higher educational attainment tends to elevate it, pushing investors to become more comfortable with risk-taking. Furthermore, married men and women were found to exhibit a greater tendency to avoid risk, reflecting the influence of familial

responsibility on investment conservatism.

Expanding on the demographic dimensions of risk perception, **Grable et al. (2009)** found that even when risk tolerance is controlled, there exists a positive correlation between age and aggressive investing, and a negative correlation with conservative investing. This implies that as individuals age, they may become more familiar with complex financial instruments, gradually overcoming their apprehensions toward unfamiliar or higher-risk products**.**

Building on this, **Nguyen et al. (2016)** discovered a favourable connection between a client's risk tolerance and their investment decisions. Their study also revealed that trust in financial advisors and the length of the client-advisor relationship were linked to higher financial literacy and increased risk tolerance**.** These insights suggest that prior experiences and relational dynamics play a crucial role in shaping a client's risk profile and subsequent financial behavior. As a result, the study emphasized the importance of understanding these precursor factors to improve the quality of financial advisory services**.**

From the Indian context, **Chattopadhyay and Dasgupta (2015)** found that married individuals generally showed a higher inclination to avoid risks, aligning with earlier findings. Their research underscored the role of marital status as a determinant of risk-averse tendencies in investment behavior.

Further validating the importance of demographics, **Chavali and Mohanraj (2016)** employed a Chi-square test to examine the relationship between age, occupation, and risk tolerance. The results showed a statistically significant influence of both variables on how respondents perceived and tolerated risk. This highlighted the need for personalized investment strategies that account for socio-demographic differences among investors.

Most recently, **Jayamaha et al. (2024)** investigated investment behavior in Sri Lanka and found a strong positive correlation between risk tolerance and investment decisions. Their study revealed that investors with higher risk tolerance were more likely to invest in a greater number of stocks, reinforcing the idea that risk appetite directly shapes portfolio diversification. These findings affirm the central role of risk perception and tolerance in guiding investor behavior, particularly in emerging markets.

2.10 MAGNITUDE OF INVESTMENT AS TRADING BEHAVIOUR ATTRIBUTE

Understanding the relationship among magnitude of investment, and investor behavior has been a long-standing focus in financial research. One of the earliest and most foundational contributions came from **Kahneman and Tversky (1979)**, who introduced the concept of "loss aversion"**.** Their work revealed that the magnitude of potential losses greatly influences decision-making under uncertainty. Investors, they found, are typically more sensitive to losses than gains, prompting them to avoid riskier investments even when potential profits are substantial. This early insight into behavioral finance laid the groundwork for subsequent studies examining how investment size affects trading behavior.

Building on this, **Barber and Odean (2000)** explored the relationship between investment size and trading frequency, identifying what they called the "disposition effect". According to their findings, investors tend to trade more frequently when their investment amounts are smaller, often selling these assets at a loss to avoid feelings of regret. In contrast, they tend to hold onto larger investments, anticipating future gains. This behavior reflects psychological distinction investors make between large and small holdings, directly tying investment magnitude to emotional decision-making.

As the field developed, **Sood and Medury (2012)** conducted a detailed study on income distribution and investment preferences. Their research revealed a clear segmentation of financial products based on annual income brackets. For instance, individuals earning up to Rs 2 lakhs annually were more inclined to invest in fixed deposits, viewing them as safer options. Those in the Rs 2 to 5 lakhs range showed a preference for market investments, while recurring deposits were favored by earners in the Rs 5 to 10 lakhs bracket. Meanwhile, individuals with incomes between Rs 10 to 15 lakhs leaned towards life insurance products, and this group also displayed a tendency toward riskier financial decisions in pursuit of higher returns. Those earning Rs 2 lakhs annually also demonstrated a notable preference for mutual funds. T These findings suggest a strong connection between income level, risk appetite, and the magnitude of investment, as higher earners, being more financially secure, are typically more open to taking risks and therefore tend to make larger and more diversified investments. In contrast, lower earners, who prioritize financial stability, often limit their investment amounts and prefer safer, low-risk instruments, reflecting a cautious approach tied to both income constraints and risk aversion.

Around the same time, **Luminatang (2013)** emphasized that a person's income is primarily shaped by their involvement in service or production-related work, especially considering factors like work hours and hourly pay rates. This income, in turn, significantly influences how individuals approach investment decisions, particularly regarding the size and frequency of their financial activities.

Further expanding this understanding, **Lan et al. (2017)** demonstrated that individual investors' investment scales are most strongly correlated with their incomes, occupations, and past investing experiences. According to their study, the main determinants of an investor's investing style include knowledge, income, age, and educational **background**. Notably, both experiences and income levels were found to directly affect the choice of investment instruments and trade frequency, emphasizing the role of personal background in shaping financial behavior.

More recently, **Saleem et al. (2021)** found that the relationship between investment magnitude and mutual fund expertise depends on the size of the investment. Their study revealed a positive correlation between investment amount and expertise when investment size is high. Conversely, when the investment amount is low, the correlation becomes negative, indicating that investors with smaller portfolios may lack sufficient understanding or strategic clarity, leading to suboptimal decisions.

2.11 INVESTMENT CHOICES AS TRADING BEHAVIOUR ATTRIBUTE

The domain of **investment behavior** has attracted increasing scholarly interest over the years, particularly in how investor perceptions, risk preferences, and financial instruments influence decision-making. **Kahneman and Tversky's (1979)** foundational work on loss aversion set the stage for exploring the psychological underpinnings of investment choices, which subsequent researchers extended into specialized investment areas such as mutual funds, SRI, and pension savings.

Nilson (2007) was among the early scholars to investigate attitudes towards Socially Responsible Investments (SRI). He found that investors who believe in the sustained potential of conventional mutual funds demonstrate a greater tendency to invest in SRI, compared to those who anticipate similar or lower returns from such funds. These insights highlighted the

role of performance expectations in shaping investor interest in ethical investing. Following this, **Collard (2009)** delved into pension fund investments, revealing departures from classical economic theories**,** especially regarding concerns about the adequacy of retirement savings, further enriching the discourse on long-term financial planning.

Bhushan and Medury (2013) contributed to this discussion by assessing employee satisfaction across investment options, noting that while fixed deposits and life insurance drew robust contentment, mutual funds and health insurance generated moderate levels of satisfaction. This work emphasized the emotional and psychological dimensions tied to different financial instruments.

In a more detailed behavioral finance context, **Dorfleitner and Utz (2014)** found that investors who are confident in the superior performance of social responsible investments are less willing to sacrifice returns, leading them to allocate more substantial investments in social responsible mutual funds. The shift from ethical ideals to financial performance expectations suggested that profitability remains a central concern, even for socially conscious investors.

The screening processes employed in ethical investing were further explored by **Borgers and Pownall (2014)**. They argued that an investment strategy aligned with social responsibility does not automatically exclude non-compliant assets. Instead, entities like pension funds often engage in corporate involvement, influencing managerial decisions rather than withdrawing investments. Their analysis, though equity-focused, proposed that such screening mechanisms could extend to debt instruments, including the geopolitical screening of government bonds based on human rights considerations.

Aren and Aydemir (2015) examined the relationship between investment preferences and available financial options. Their research found a negative correlation between the preference for foreign currency and other investment choices, although no significant relationships existed among other options such as bank deposits, bonds, stocks, and mutual funds.

Incorporating demographic insights, **Lan et al. (2018)** underscored the predictive capability of demographics in shaping investor behavior. They identified trading frequency as the most predictable behavior, followed by investment scale and instrument choice, stressing the value of individual characteristics in financial planning. Similarly, **Aren et al. (2020)** explored the interplay between personality traits, emotions, and risk preferences, demonstrating that personal

disposition plays a crucial role in determining whether investors prefer high-risk or low-risk assets.

In the entrepreneurial landscape, **Kappal and Rastogi (2020)** revealed a conservative investment approach among female entrepreneurs, attributing this behavior to limited financial understanding and time constraints**.** Their research indicated that with improved investment literacy, these entrepreneurs could become more open to calculated risks. Additionally, interviews highlighted that parental investment behavior influenced the financial decisions of women entrepreneurs, suggesting an intergenerational transmission of risk attitudes.

In terms of global investment behavior, **Al Quran (2022)** introduced a tailored managerial decision-making model aimed at assisting global firms in selecting foreign investment destinations. Supported by case studies from Arabian companies, this model enriched understanding of cross-border investment strategy, factoring in geopolitical, economic, and social considerations.

Jaya and Rathod (2021) emphasized that investment decisions are pivotal not only for individual financial growth but also for the revenue streams and long-term success of companies. Their work explored a broad spectrum of investment assets—from stocks and securities to mutual funds—highlighting their influence on retirement planning and education savings.

From a psychological and social lens, **Ansari and Moid (2023)** explored the motivations of early-career professionals, noting that financial independence and reduced insecurity drive them to invest in a range of financial options including derivatives, mutual funds, bonds, and stocks.

2.12 PERSONAL VALUES AS A TRADING BEHAVIOUR ATTRIBUTE

The exploration of personal values as a key determinant of investment behavior has been well-documented in literature, particularly within the realm of Socially Responsible Investment (SRI). One of the earliest and most influential contributions to this discourse came from **Gutman (1982)**, who underscored the considerable impact of personal values on customer behavior, laying the foundation for understanding how values influence economic and ethical decision-making. Expanding on this, **Pinto et al. (2011)** established a link between consumer personal values and environmentally conscious behavior, further reinforcing the notion that

individuals' deeply held beliefs often shape their approach to both consumption and investment. This connection signaled a shift in attention toward ethical investing, where values guide financial choices. **İslamoglu (2015)** added nuance to the discussion by highlighting that despite the presence of religious and societal influences, no clear, direct connection exists between these and investment choices. Rather, individuals who favor conscientious investment practices tend to conduct thorough research and fulfill their financial obligations promptly, suggesting that independent ethical reasoning may carry more weight than external cultural or religious norms in some contexts. Turning to the psychological aspects of behavior, **Kim (2011)** emphasized the mediating role of attitudes in the link between behavior and ideals, positioning attitude as a crucial bridge between internal values and external actions in investment decisions. This insight laid the groundwork for integrating emotional and cognitive components into models of SRI behavior. In a broader cultural context, **Singh et al. (2020)** explored how collectivism, materialism, and environmental attitudes influence investors' inclinations to engage in socially responsible investing. Their findings affirmed that these values play a significant role in guiding investment choices, especially in societies where communal and environmental concerns are highly regarded. Building on these perspectives, **Beekman et al. (2016)** conducted a focused study examining the relationship between personal values and SRI preferences. They found that individuals who prioritize social justice, environmental sustainability, and ethical business practices are significantly more likely to adopt SRI strategies. These investors aim to align their portfolios with their core principles, demonstrating the growing integration of values into investment frameworks. **Manjit et al. (2021)** emphasized the role of personal values in shaping attitudes toward SRIs, specifically highlighting the influence of collectivism, materialism, and environmental awareness. Their study revealed that religiosity plays a moderating role, particularly among female investors, and discussed how attitudes and intent collectively shape the decision-making process in the SRI domain. This research adds depth to the understanding of how complex personal and cultural dynamics govern financial behavior in ethically motivated investors.

Collectively, these studies trace the evolution of thought around how personal values—whether ethical, cultural, religious, or environmental—shape and drive socially responsible investment behavior. They highlight the importance of values-driven investing in today's financial landscape, where investors are not only seeking returns but also striving to make a positive social and environmental impact.

Religiosity

The influence of religiosity on economic preferences and investment behavior has been a subject of considerable scholarly investigation across different time periods and cultural contexts. One of the foundational contributions to this discussion came from **Guiso et al. (2003)**, who explored the effect of religiosity on economic preferences and behaviors across various countries. Their study revealed that individuals who practice religion more devoutly tend to exhibit greater aversion to financial risk and often prefer conservative investment strategies, emphasizing the impact of religious values on financial decision-making.

Building upon this premise, **Renneboog et al. (2008)** delved deeper into the realm of socially responsible investing (SRI), examining how religiosity drives ethical investment preferences. Their findings affirmed that religious individuals are more inclined towards socially conscious investing, as they are more likely to incorporate moral and ethical considerations into their financial decisions. This indicated a positive correlation between religious belief and investment behavior rooted in ethical standards.

Further expanding this line of inquiry, **El Ghoul et al. (2011)** and **Hong et al. (2012)** explored the relationship between religion and corporate social responsibility (CSR). Their research demonstrated that businesses operating in more religiously conservative regions are often more likely to adopt socially responsible practices, aiming to align with the moral and ethical expectations of their religious stakeholders. This body of work highlighted the broader institutional impact of religiosity, influencing not just individual investors but also corporate governance and stakeholder engagement.

In a more recent study, **Pooja et al. (2021)** investigated the complex relationships within socially responsible investing (SRI). Their research examined how attitudes towards SRI and the effectiveness of social investing act as sequential mediators between SRI information and investment intention. Notably, their findings emphasized the moderating role of religiosity, illustrating how religious values can shape the translation of information into investment behavior.

Similarly, **Mehta et al. (2021)** found that religious-minded individuals demonstrate a greater openness to Socially Responsible Investing (SRI), reinforcing the idea that personal belief systems and spiritual values can significantly influence financial preferences. However, **Pooja et al. (2021)** work and others also pointed to nuances in this relationship, suggesting that religiosity may not always act uniformly across all investor segments.

This complexity is further captured in the research by **Mumtaz and Khalid (2022)**, who observed that while awareness of current religious issues and positive views about investing decisions can have a positive impact, a deeper or more rigid understanding of religious doctrines may sometimes adversely affect investment choices. This points to the diversity within religious communities in how individuals apply their beliefs to financial decisions.

Adding a contemporary perspective, **Al-Banna & Jannah (2023)** investigated how social, environmental, and religious considerations influence the intention to engage in SRI. Their study found that religiosity serves as a moderator between social and environmental investment tendencies, further clarifying how faith-based motivations intersect with sustainability goals in guiding investment choices.

Materialism

The concept of **materialism**—defined as the belief that the most crucial aspect of life is possessing money and material possessions—has long intrigued scholars in the fields of psychology, consumer behavior, and finance. **Richins & Dawson (1992)** laid the foundational understanding by establishing that those who hold materialistic views believe their happiness is intricately linked to their possessions. They also emphasized that individuals with materialistic tendencies assign significant importance to material goods, leading them to spend more money on material items to achieve desired emotions or life goals.

Following this groundwork, **Kasser and Ryan (1993)** explored the relationship between materialism and well-being, highlighting its negative effects on psychological health and life satisfaction. Their study revealed that individuals who prioritize materialistic goals—such as wealth, status, and possessions—often experience lower levels of happiness and fulfillment, suggesting a misalignment between material wealth and emotional well-being.

Moving into the 21st century, research began connecting materialism more directly with financial decision-making and spending behavior. **Van Boven and Gilovich (2003)** examined this influence in the context of investment behavior, discovering that individuals with high materialistic values tend to engage in impulsive spending, carry higher levels of debt, and show a greater propensity for risky financial behaviors, including speculative investing.

The influence of materialism was also observed in younger demographics. **Vandana & Lenka (2014)** investigated the phenomenon among children and found that materialism is associated with overindulgence in consuming and rash buying, marking a critical behavioral trend in early

consumer socialization. **Islam et al. (2017)** further supported these insights, identifying materialism as a predictor of obsessive purchasing during youth, which has implications for financial maturity and long-term savings habits.

In the academic sphere, **King and Datu (2017)** found that students with high consumerism exhibit worse academic attainment and involvement levels, linking materialism to declines in academic performance and engagement. This suggests that the consequences of materialism extend beyond financial decisions and into broader areas of life functioning.

Turning to purchasing tools, **Pradhan et al. (2018)** noted that materialism influences the use of credit cards, thereby heightening the inclination towards impulsive buying, a trend that compounds personal debt and reduces financial stability.

The implications of materialism on savings behavior were explored by **Pangestu & Karnadi (2020)**, who found that savings are significantly impacted by materialism, alongside financial knowledge. This highlights the dual influence of values and financial literacy in shaping long-term financial security.

Finally, a deeper dive into investment ethics was provided by **Dittmar et al. (2014)**, who examined the relationship between materialism and investing choices, particularly in the context of Socially Responsible Investing (SRI). Their research showed that individuals with higher materialistic values are less likely to prioritize ethical considerations in their investment decisions, preferring financial returns over social or environmental concerns.

Collectivism

The concept of collectivism—emphasizing the importance of community or group welfare over individual interests—has long been central to studies of cultural influence on behavior. **Lukwago et al. (2001)** initially defined this concept by highlighting elements such as group orientation, willingness to sacrifice for the common good, and a sense of obligation toward collective welfare. This understanding was later expanded by **Seo (2010)**, who emphasized that collectivistic individuals prioritize values beyond the self, placing the well-being of the group and collective objectives above personal goals. This value system motivates individuals to care more about ethical, social, and environmental issues, making collectivism a foundational principle for socially responsible behavior.

Supporting this viewpoint, **Khan and Kirmani (2016)** identified that collectivist beliefs are a

powerful indicator of pro-environmental behavior, further strengthening the idea that collectivism plays a critical role in driving socially conscious actions. In the realm of finance, **Leung et al. (2005)** conducted a pivotal study exploring the connection between investment behavior and collectivism in the context of household financial management. Their findings revealed that individuals with a collectivistic orientation are more likely to prioritize family financial goals, engaging in collaborative decision-making when managing investments. This research emphasized a communal approach to wealth management, where financial strategies reflect broader family or community considerations rather than individual gain.

Advancing into the sphere of socially conscious investing (SCI), **Jo and Lee (2017)** examined the influence of collectivism on investors' attitudes and preferences toward ethical investment options. Their study concluded that individuals with a collectivistic orientation are more likely to consider the societal and environmental impact of their financial choices, demonstrating a heightened sense of responsibility toward community well-being. This finding aligns with the broader perspective that collectivistic values support the adoption of ethical and sustainable financial practices.

Most recently, **Vyas et al. (2022)** explored how collectivism influences investment decisions, discovering that investors are significantly influenced by their propensity to adopt society's ideas and viewpoints. This suggests that social norms and collective attitudes strongly shape financial choices, reinforcing patterns of conservative, collaborative, and socially responsible investing among collectivist-oriented individuals.

2.13   COMPANY VALUES AS AN ATTRIBUTE FOR INCLINATION TOWARDS SOCIALLY RESPONSIBLE INVESTMENT

The idea of company values is important when it comes to making investment decisions since it affects investors' opinions and preferences about businesses or investment possibilities. Numerous research has looked at the connection between business ideals and investor behaviour, shedding light on how investors consider factors such as corporate ethics, social responsibility, and organizational culture in their investment decisions.

One notable study by **Waddock and Graves (1997)** explored the importance of company values in socially responsible investing (SRI). The research emphasized the growing trend of investors integrating ethical and moral considerations into their investment strategies, with a

concentrate on assisting businesses that share their ideals and principles. A study highlighted the role of company values in attracting socially conscious investors and driving demand for investments in firms with strong ethical practices and corporate governance.

Additionally, research by **Margolis and Walsh (2001)** delved into the effect of economic performance and shareholder opinions on corporate social responsibility (CSR) efforts. According to the report, businesses that have a strong commitment to CSR and ethical values tend to enjoy enhanced reputations, reduced risk exposure, and improved long-term financial returns, as investors view them more favourably and are willing to allocate capital to support their sustainability efforts.

Furthermore, research such as by **Lee et al. (2016), Rehman et al. (2019)** have examined the influence of company values on investor trust, loyalty, and brand perception. These studies underscored the importance of transparency, integrity, and alignment with stakeholders' values in fostering positive relationships with investors and maintaining a competitive edge in the market.

One notable discovery from this research pertains to the substantial composition of commitment to integrity and commitment to customers, comprising 42% of the identified seven value dimensions. Surprisingly, approximately 85% of the sample companies exhibited commitment to integrity, while around 64% emphasized commitment to customers. These findings underscore the paramount importance accorded to integrity and customer-centric values within organizations. Notably, this heightened focus on integrity and ethics follows significant corporate scandals such as Enron, prompting companies to prioritize these ethical dimensions. Neglecting such ethical considerations could potentially expose companies to legal repercussions and tarnish their reputation, inevitably impacting their overall financial performance. **Tessema et al. (2019)**

2.14   ATTITUDE AS AN ATTRIBUTE FOR INCLINATION TOWARDS SOCIALLY RESPONSIBLE INVESTMENT

The Theory of Reasoned Action and its extended version, the Theory of Planned Behaviour (TPB), have long been pivotal in understanding human intentions and behaviours. According to **Ajzen & Fishbein (1980)** and **Ajzen (1991)**, this framework posits that an individual's intention is shaped by three key elements: attitude (what do I think of an action?), subjective

norms (what do others think?), and perceived behavioural control (would it be easy or hard to do?). These foundational ideas were supported by **Fishbein and Ajzen (1975)**, reinforcing the notion that intention predicts behaviour across domains. **Godin et al. (1996)** confirmed the theory's efficacy across behavioural contexts, asserting that while intention explains behaviour well, its predictive ability varies depending on the domain.

As the theory gained prominence, **Lewis and Webley (1994)** explored how investors with stronger pro-social concerns were more likely to choose mutual funds aligned with SRI profiles, emphasizing the positive role of attitude in SRI decisions. Later, **Manstead (2000)** reiterated that intention is highly influenced by attitude, further validating Theory of Planned Behaviour in financial contexts.

Hofmann et al. (2004) and **Hemingway and Maclagan (2004)** expanded this understanding by identifying moral and ethical components, such as personal values and interests, as significant factors shaping investment decisions. Hofmann's evaluation of TPB affirmed that investors' intentions to act socially responsibly are driven by their attitudes. **Shafer (2006)** also found a strong link between environmental responsibility and pro-environmental sentiments, tying ethical beliefs directly to investment intention.

Continuing this line of research, **Gopi and Ramayah (2007)** highlighted that attitude toward investing had the most significant impact on behavioural intention, aligning with earlier TPB studies. That same year, **Vyvyan et al. (2007)** investigated the gap between favourable SRI opinions and actual investment. They found that environmentally conscious individuals placed greater emphasis on SRI criteria, suggesting that environmental attitude directly affects investment decisions.

Bollen (2007), **Nilsson (2008)**, and **Glac (2009)** contributed further by arguing that attitudes towards social, ethical, and environmental concerns significantly influence the choice of SRI, strengthening TPB's applicability. Meanwhile, **Lee (2009)** identified that attitudes were the primary driver behind intentions to trade online, and **Ali (2011)** demonstrated that attitude toward a brand completely mediates the intention to trade its stock—showing the broader relevance of TPB in financial decisions.

The insights from **Escrig-Escrig-Olmedo et al. (2013)** revealed that SRI was in its early stages in Spain, and investors required more information on social and environmental concerns to

make informed investment choices. The study also provided guidelines for Spanish fund managers, institutions, and investors to promote SRI practices.

Pascual-Ezama et al. (2014) reinforced the TPB framework by showing that attitudes were positively correlated with behavioural intentions toward stock exchange investment. Similarly, **Méndez-Rodríguez et al. (2015)** profiled SRI investors, incorporating attitudes towards environmental, social, and ethical issues**,** while acknowledging that demographics influenced SRI intentions. Their findings emphasized that SRI investors in Australia were driven by both social and performance goals**,** but also noted heterogeneity in investment styles**.**

Agyapong and Ewusi (2017) emphasized the importance of individual willingness to engage in socially responsible behaviour, showing its relevance in investment decision-making. At the same time, **Gamel et al. (2017)** studied investment attitudes in Germany's renewable energy sector, discovering that consumer perceptions of eco-friendly products**,** NGO trust, regulatory environments, and social norms were significant predictors of such investment decisions.

In the years following, **Julia M. Puaschunder (2012)** pointed out a gap in the literature, noting the lack of information regarding attitudes towards SRI, suggesting the need for deeper insight into this behavioural dimension.

Bringing this framework into modern application, **Telha et al. (2020)** surveyed both experienced and novice fund managers, showing that moral intensity, attitudes, subjective norms, perceived behavioural control, and concern for others all significantly shape SRI intentions, confirming the contemporary relevance of TPB in investment psychology.

2.15 MORAL INTENSITY AS AN ATTRIBUTE FOR INCLINATION TOWARDS SOCIALLY RESPONSIBLE INVESTMENT

The foundational exploration of moral decision-making within ethical contexts began with the work of **Ferrell and Gresham (1985)**, who introduced a contingency framework to explain moral judgment specifically within marketing contexts. Their model highlighted the role of moral intensity in shaping ethical judgments and behaviours across varied marketing scenarios, emphasizing it as a critical factor in navigating ethical dilemmas.

Expanding on this foundation, **Treviño (1986)** proposed the person-situation interactionist

paradigm, a seminal contribution to the study of ethical decision-making. This model emphasized the interaction of individual traits and situational factors, along with moral intensity, in shaping ethical judgments and behaviours within organizational settings. It laid the groundwork for subsequent research seeking to understand how personal and external contexts interact to drive moral actions.

The moral intensity model was formally developed by **Jones (1991)**, who proposed a six-component, issue-contingent framework for evaluating the ethical dimensions of a situation. These components include:

- **Magnitude of Consequence**: The amount of harm or benefit resulting from a moral act;
- **Social Consensus**: Societal agreement on whether an act is morally right or wrong;
- **Probability of Effect**: Likelihood that the act will occur and have the intended impact;
- **Temporal Immediacy**: The time between the present and the expected consequences of the act;
- **Proximity**: The perceived closeness (physical, emotional, or cultural) between the decision-maker and those affected;
- **Concentration of Effect**: The degree to which consequences are focused on a few versus dispersed across many.

Jones asserted that moral intensity significantly influences moral recognition, judgment, and intent, thus playing a key role at every stage of moral decision-making.

Building upon Jones' framework, **Singhapakdi (1996)** tested all six components and found that all factors except proximity—the perceived closeness to those affected—were significantly correlated with ethical intentions. His findings validated the role of moral intensity in ethical perceptions and decision-making processes.

Frey (2000) also applied the moral intensity model and emphasized that social consensus and magnitude of consequences were the two most influential elements in determining moral judgments, reaffirming the practical utility of Jones' components in real-world ethical evaluations.

In the context of corporate ethics, **May and Pauli (2002)** investigated the relationship between moral intensity, moral recognition, and moral evaluation, reporting mixed results, suggesting that while moral intensity is important, its influence may vary depending on context and individual interpretation.

Keith and Andrea (2007) contributed further by showing that moral intensity was a significant factor in ethical decision-making concerning earnings management. Their findings showed strong correlations between ethical judgments and five of the six components: social consensus,

proximity, temporal immediacy, magnitude of consequence, and concentration of effect—demonstrating the robustness of the model in organizational finance settings.

Rousselet et al. (2018) explored ethical issue recognition and found it to be highly dependent on the perceived moral intensity of a situation, influencing role-based behaviour and interest divergence within corporate and institutional frameworks.

Talha (2020) delved deeper into investment behaviour and confirmed the centrality of moral intensity in ethical decision-making. His study, based on a survey of experienced and less-experienced fund managers, revealed that moral intensity, along with attitudes, subjective norms, perceived behavioural control, and a sense of caring, significantly influences intentions to engage in Socially Responsible Investing (SRI). This research emphasized the growing relevance of moral considerations in the financial investment domain.

Further extending the application of moral intensity, **Nurdianawati and Rachmawati (2020)** examined how it interplays with professional commitment, anticipatory socialization, and whistleblowing intentions. Their findings highlighted the complex relationship between ethical perception, professional values, and behavioural intentions, particularly in the context of organizational ethics and disclosure.

2.16 PERCEIVED MONEY AVAILABILITY AS AN ATTRIBUTE FOR INCLINATION TOWARDS SOCIALLY RESPONSIBLE INVESTMENT

The relationship between money availability and purchasing behaviour can be traced back to **Belk (1975)**, who identified money availability as a tangible determinant of real purchasing habits**.** His research highlighted that the presence or absence of financial resources significantly affects consumers' decisions, particularly in cases where the desired products are perceived as expensive**.** This notion laid the groundwork for understanding how economic constraints shape consumer behaviour, especially in markets where premium-priced goods, such as sustainable apparel, are involved.

Building on this premise, **Carrington et al. (2010)** explored the dynamics of perceived behavioural control and its precursors in the context of sustainable consumption. Their findings distinguished between actual behavioural control—which includes situational conditions like financial capability or store accessibility—and perceived behavioural control, shaped by cognitive evaluations. Specifically, they emphasized that money availability functions as a

crucial, tangible component of consumers' behavioural control beliefs, ultimately determining their eligibility and willingness to make purchases. The study demonstrated that financial capability plays a vital role in motivating actual purchasing behaviour, especially when consumers consider sustainable apparel to be costlier than conventional alternatives. Furthermore, Carrington et al. noted that when consumers aspire to purchase sustainable products but lack sufficient funds, their ability to act on such intentions becomes restricted, underscoring the significance of economic access in bridging attitude-behaviour gaps.

Expanding on this framework, **Hyo et al. (2018)** applied the Theory of Planned Behaviour (TPB) to understand consumer behaviour in the sustainable fashion industry. Their research effectively demonstrated the model's applicability to real-world sustainable purchasing decisions. The study particularly emphasized the critical influence of consumers' perceptions regarding store accessibility and money availability, noting that these elements significantly shape their control beliefs and consumption behaviours. The findings confirmed that financial accessibility and convenience in store location enhance consumers' perceived behavioural control**,** thereby increasing the likelihood of sustainable consumption.

2.17 WILLINGNESS TO INVEST AS AN ATTRIBUTE FOR INCLINATION TOWARDS SOCIALLY RESPONSIBLE INVESTMENT

The discussion around consumers' willingness to pay more for environmentally friendly products began with foundational work by **Kahneman et al. (1993)** and **Kahneman et al. (1999)**. Their research suggested that willingness to purchase green products may not simply reflect a preference or attitude, but may also represent a pro-environmental behavioural intention, consistent with the Theory of Planned Behaviour **(Ajzen, 1991)**. These early insights laid the groundwork for exploring the relationship between attitude, intention, and green behaviour.

Building on this, **Laroche et al. (2001)** examined consumers' readiness to pay a premium for eco-friendly goods, finding that such behaviour was not viewed as an inconvenience. Rather, for these individuals, adopting sustainable practices was deemed highly important, further strengthening the connection between environmental values and purchasing behaviour. The study emphasized that positive impressions of eco-friendly products directly motivate the willingness to purchase them, thereby reinforcing positive attitudes toward green consumption.

Mamun et al. (2018) further supported these findings by showing that respondents with positive attitudes toward environmentally friendly products were significantly more willing to pay higher prices. Their research confirmed that paying a premium for eco-friendly goods did not create a sense of inconvenience. Instead, it aligned with consumers' belief in the importance of sustainable actions.

Wei et al. (2018) introduced a more nuanced perspective, noting that eco-literacy—rather than general environmental concern—influences purchase behaviour indirectly. Their findings showed that while high eco-literacy correlates with a greater willingness to pay extra for green products, environmental concern alone does not predict this behaviour unless channeled through purchase confidence in the environmental domain.

A significant social dimension was added by **Zaidi et al. (2021)**, who demonstrated that social value, peer pressure, and social identification are powerful motivators in encouraging green consumption behaviour. Consumers often engage in environmentally friendly practices to gain social acceptance and create a positive image within their communities.

Khoiriyah & Toro (2018) also emphasized the importance of consumer perceptions, noting that positive impressions of environmentally friendly products further increase the intention to purchase. Their findings suggest that favourable cognitive associations with green products translate into greater purchase intent, especially when paired with strong environmental values.

In an investment-related extension of this behavioural trajectory, **Pooja et al. (2021)** explored the complex relationships within socially responsible investing (SRI). They demonstrated that the association between SRI knowledge and the intention to invest is mediated sequentially by attitudes toward SRI and perceived efficacy in social investing. This suggests that the same attitudinal and cognitive mechanisms driving green consumerism also influence financial decisions rooted in sustainability values.

2.18 RETURN AS AN ATTRIBUTE FOR INCLINATION TOWARDS SOCIALLY RESPONSIBLE INVESTMENT

The exploration of Socially Responsible Investments (SRI) in relation to portfolio diversification began with the work of **Holtz-Eakin and Rosenthal (1996)**, who analyzed the relationship between SRI and portfolio diversification in Nigeria. Their findings indicated that

incorporating SRI criteria into investment decisions could contribute to portfolio diversification and may result in comparable returns to conventional investments.

In a similar context, **Beal et al. (2005)** argued that some investors participate in SRI because they anticipate higher returns, challenging the assumption that social responsibility comes at the cost of profit.

Hong and Kacperczyk (2009) provided contrasting insights, observing that socially conscious investors are willing to forego financial rewards in order to align their investments with personal values, highlighting the strength of altruistic incentives**.**

Renneboog (2008) conducted a comprehensive study examining the performance of SRI funds compared to conventional funds. This research explored the factors influencing investor behaviour in the SRI market and concluded that while SRI funds may not always outperform conventional investments, they appeal to ethically driven investors who prioritize both values and financial returns.

Nilsson (2008) reinforced this by indicating that some SRI investors do expect higher returns**,** suggesting heterogeneity in investor motives within the SRI landscape.

Humphrey and Lee (2011) further contributed by investigating investor reactions to ethical screens and other SRI fund attributes. Their research demonstrated that investors are prepared to sacrifice higher returns in favor of investing in funds that uphold social responsibility, aligning with their ethical values.

Dskeland and Pedersen (2016) also found that some investors choose SRI anticipating better returns, adding to the evidence that return expectations remain a mixed driver of SRI behaviour.

Building on earlier research, **Bello and Adelegan (2017)** examined SRI and portfolio diversification in Nigeria, echoing findings by Holtz-Eakin and Rosenthal. They concluded that integrating SRI criteria can enhance portfolio diversification and may yield returns comparable to conventional investments**.**

Riedl and Smeets (2017) offered a different perspective, reporting that the majority of investors in their sample expect responsible investments to yield lower returns than conventional ones, further reinforcing the presence of altruism and value alignment in the SRI space.

Broadback et al. (2019) provided unpublished data supporting the existence of return-focused clusters of SRI investors. These investors had the highest share of "above average" investment knowledge and were predominantly male. While age and net income should be interpreted cautiously, the return-focused group tended to be older than the responsibility-focused cluster. This study sheds light on the demographic diversity and motivational segmentation within the SRI landscape.

Jonwall et al. (2023) examined SRI from various angles, including investor behaviour, effectiveness, and organizational aspects. They found that SR investors are more inclined to accept lower financial returns and often emphasize faith-based investing more than conventional investors.

Similarly, **S & Aisyah (2023)** studied the factors influencing investment interest among younger generations, particularly university students. Their findings highlighted the role of investment knowledge, perceived benefits, financial education, and return forecasts in shaping investment decisions.

Lastly, **Saleem et al. (2021)** emphasized that investor behaviour is influenced by their perception of returns, both positively and negatively. The authors noted that it largely depends on the investor's perspective, especially in relation to anticipated financial returns.

2.19 PERCEIVED EFFECTIVENESS AS AN ATTRIBUTE FOR INCLINATION TOWARDS SOCIALLY RESPONSIBLE INVESTMENT

Perceived effectiveness has increasingly become a focal point in understanding how individuals—particularly investors—evaluate and respond to ethical and sustainable investment strategies. One of the earliest conceptualizations of this idea is provided by **Berger and Corbin (1992)**, who described Perceived Consumer Effectiveness as *"the assessment of the self in relation to the situation."* This foundational definition established the psychological basis for how individuals gauge their ability to influence outcomes, a concept later applied in multiple domains including investment and environmental behavior.

Building on this, **Lowerison et al. (2006)** explored how the use of computer technology in education enhances students' perceived effectiveness of learning and instruction. Their study emphasized the importance of active engagement and reflection, reinforcing the role of

perception in evaluating and improving outcomes—paralleling how investors might assess the impact of their decisions.

Further expanding this concept into environmental psychology, **Steg and Vlek (2009)** argued that individuals can play a crucial role in promoting long-term environmental sustainability by engaging in consistent pro-environmental behaviors. This research highlighted that perceptions of one's own effectiveness are key drivers of sustained behavioral change, including environmentally conscious financial decisions.

In the investment domain, **Connelly et al. (2011)** focused on the perceived effectiveness of sustainability reporting in influencing investor decisions. Their study examined how investors view sustainability reports as tools for gaining relevant insights into companies' environmental, social, and governance (ESG) practices, and how such perceptions shape their investment decisions**.**

2.20 RESEARCH GAP

The research on "Individual Investor Trading Behaviour and their Inclination towards Social Responsible Investment" identifies several notable research gaps within its overarching theme.

First and foremost, few thorough research have been done to fully explore the complex interaction between individual investor trading behaviour and their specific inclination towards Socially Responsible Investment (SRI). While there exists literature on both investor behaviour and SRI independently, the integration of these two domains remains relatively unexplored in India.

There are attributes such as perceived effectiveness and perceived money availability which has been used to show a positive influence on ethical behavior, though not specifically in the context of socially responsible investment behavior. Moreover Jones (1991) identified six components of moral intensity, previous studies have not applied these components as an attributes in the context of trading behavior. Likewise, the relationship between company values and an investor trading behavior has not been explored in previous studies.

Existing research focuses on general investor behavior or specific aspects of SRI, without thoroughly examining the interconnected dynamics of the two. A research gap emerges in understanding how individual investors' trading patterns, risk tolerance, and reliance on financial advisors align with or diverge from their interest in ethical and socially responsible

financial products. This gap points to the need for an integrated approach that bridges the literature gaps between traditional investment behaviour studies and those centred around SRI.

Moreover, there is limited insight into the relation between demographic factors on both trading behaviour and the likelihood of engaging in SRI. The research gap also extends to the implications of such findings for investment strategies and the broader financial landscape.

In summary, the research gap in the title of the study underscores the need for a holistic exploration of the interplay between individual investor trading behaviour and their inclination towards Socially Responsible Investment, addressing the lack of integrated studies that consider both aspects concurrently and comprehensively.

CHAPTER 3
RESEARCH METHODOLOGY

3.1 PROBLEM OF THE STUDY

The goal of the research is to look into the intricate relationship between individual investor trading behaviour and their propensity towards Socially Responsible Investment (SRI). A comprehensive exploration will be undertaken to unveil the various trading patterns exhibited by individual investors, encompassing dimensions like trading frequency, trading experience, personal choices, types of investors, risk tolerance, portfolio composition, and their reliance on financial advisors. This investigation aims to unravel the factors influencing trading decisions, including demographic factors like age, gender, level of education, and income.

A pivotal focus of the research is to assess the awareness and comprehension levels of Socially Responsible Investment among individual investors. This involves a thorough analysis of the ethical considerations, societal relation, and environmental consciousness that contribute to their interest in SRI.

Demographic factors have a big relation on how traders behave and how likely it is that engaging in Socially Responsible Investment. The research will evaluate how age, gender, education, and income influence these dynamics, seeking to understand whether specific demographic groups exhibit more pronounced tendencies towards SRI or particular trading strategies.

The implications of the findings extend to investment strategies, offering insights for investment professionals, financial advisors, and policymakers. The research aspires to identify opportunities for aligning investment strategies with the preferences of private investors for morally and socially conscious investments. Essentially, the goal of this research challenge is to provide insightful information at the junction of individual investor behavior, ethical considerations, and the evolving landscape of socially responsible investment.

3.2 NEED OF THE STUDY

The research on "INDIVIDUAL INVESTOR TRADING BEHAVIOR AND THEIR INCLINATION TOWARDS SOCIAL RESPONSIBLE INVESTMENT" holds significant importance for several reasons. Firstly, it seeks to unravel the intricacies of individual investor

decision-making by examining trading behaviours, risk tolerance, and reliance on financial advisors. This exploration promises a deeper understanding of the factors influencing how investors navigate the complex landscape of financial markets. Moreover, the study delves into the realm of Socially Responsible Investment (SRI), shedding light on investors' awareness and comprehension of ethical and socially responsible investing. As ethical considerations increasingly shape financial decisions, insights from this research can contribute to the evolving landscape of responsible finance. The correlation analysis of specific trading behaviours and the inclination towards SRI aims to uncover patterns and trends, offering valuable information for investors and financial professionals alike. Additionally, the study addresses the relation demographic characteristics, including age, gender, marital status, income, and education, affect trading behaviour and SRI preferences. This knowledge can help identify target demographics for SRI initiatives and guide the tailoring of investment strategies to specific investor characteristics. Additionally, the findings have consequences for regulators, legislators, and industry professionals, providing insights that can inform the development of policies promoting ethical investment practices. Finally, the research offers educational opportunities by enhancing our understanding of factors influencing investor behaviour, thereby contributing to the development of materials and programs that promote financial literacy and responsible investing.

3.3 OBJECTIVES OF THE STUDY

The objective of the research on "Individual Investor Trading Behaviour and Their Inclination Towards Social Responsible Investment" is to conduct a comprehensive and nuanced investigation into the intricate relationship of the trading behaviours exhibited by individual investors and their specific inclination in the direction of SRI (socially responsible investing). The study attempts to accomplish the following key objectives:

1. Understanding Trading Behaviour:

Identify various trading behaviours displayed by individual investors, including trading frequency, risk tolerance, investment portfolio composition, and the extent of reliance on financial advisors.

Examine the factors influencing trading decisions, such as demographic variables (age, gender, education, income) and psychological aspects that shape investors' approaches to the

financial markets.

2. Exploring Inclination Towards SRI:

Assess the awareness and understanding of Individual Investors' Socially Responsible Investing.

Analyse the factors contributing to investors' interest in SRI, including ethical considerations, societal relation, and environmental consciousness.

Investigate how investors perceive the relationship returns and socially responsible investing.

3. Correlating Trading Behaviour and SRI Inclination:

Examine whether specific trading behaviours are associated with a greater inclination towards SRI.

Identify patterns or trends in trading behaviour that align with or deviate from a preference for socially responsible financial products.

4. Relation of Demographic Factors:

Evaluate how demographic factors, including age, gender, education, and income, influence both trading behaviour and the likelihood of engaging in Socially Responsible Investment.

Understand whether certain demographic groups exhibit more pronounced tendencies towards SRI or specific trading strategies.

5. Implications for Investment Strategies:

Assess the potential implications of the research findings for investors, Companies, and policymakers.

Identify opportunities to align investment strategies with individual investors' preferences for socially responsible and ethical investments.

On the basis of these facts, the research proposal has the following objectives. Through these objectives, the research seeks to provide a comprehensive and integrated understanding of how individual investors' trading behaviour intersects with their inclination towards Socially Responsible Investment, contributing valuable insights to both academia and the financial industry.

- ❖ **To study the trading behaviour of individual investors in the stock market.**

- ❖ **To study the investors inclination towards Social Responsible Investment.**

- ❖ **To study the relationship of trading behaviour of investor and their inclination towards Social Responsible investment.**

- ❖ **To study the relationship of demographic characteristics of investors and their inclination towards Social Responsible Investment**

3.4 RESEARCH DESIGN

The research design for "Individual Investor Trading Behavior and Their Inclination Towards Social Responsible Investment" involves strategy that incorporates research techniques to comprehensively explore the complex relationship between individual investor trading behavior and their inclination towards Socially Responsible Investment (SRI).

Quantitative Phase:

1. Survey Design:

Develop a well-designed survey to get quantitative information on certain investor trading behaviors, demographic information, and their awareness and inclination towards SRI.

Incorporate Likert scales to measure the level of agreement or disagreement with statements related to SRI.

2. Sampling:

Utilize a stratified random sampling technique to ensure representation across diverse demographic groups, such as age, gender, education, and income levels.

Aim for a sample size that is large enough to improve the findings' generalizability.

3. Data Collection:

Administer the survey electronically or through other appropriate means to reach a broad audience of individual investors.

Implement data collection methods that maintain anonymity and confidentiality.

4. Statistical Analysis:

Use statistical instruments, including descriptive statistics, and correlation analysis to analyze the quantitative data.

Examine relationships between trading behaviors and SRI inclination.

Qualitative Phase:

Discussions and Focus Groups:

Hold comprehensive interviews as well as focus groups with a subset of survey participants to gain qualitative insights into the motivations behind their trading behaviors and attitudes towards SRI.

Explore individual experiences, perceptions, and contextual factors that may influence decision-making.

Integration of Findings:

Draw connections between specific trading behaviors and the inclination towards SRI, considering demographic variations.

Ethical Considerations:

Ensure informed consent and ethical treatment of participant data throughout the research process.

Adhere to ethical guidelines and standards, obtaining necessary approvals from relevant ethical review boards.

The research design aims to capture the richness and depth of individual investors' experiences and behaviors while providing statistically rigorous insights into the relationships under investigation.

3.4.1 DATABASE

The data needed for this study has been gathered from both primary and secondary sources. The main method used to gather data was a questionnaire that was structured. administered to 398 retail investors in India. Moreover, discussions were held with investors and experts in the field to obtain additional insights. Secondary data were sourced from reports, publications, books, journals, periodicals, dissertations, and various websites relevant to the subject.

3.4.2 INSTRUMENTS USED FOR COLLECTION OF PRIMARY DATA

A structured questionnaire created by the researcher was used to collect primary data for the study, as explained in the attached Appendix. There are three sections to the questionnaire. Questions concerning the investors' demographics are answered in the first part. The instrument's second section is devoted to questions designed to assess investors' trading behavior. The third part includes questions aimed at examining investors' inclinations toward Socially Responsible Investment (SRI). The measures for assessing the factors/constructs/variables were borrowed from existing literature, and the specifics of this literature are outlined in a table.

Table 3.1 The variables and the origins of the statements

Demographic Characteristics		
		Authors
Q1: Gender	• Male • Female • Transgender	Shanmugham & Ramya (2012) Lan et al. (2017) Raju & Patra (2020) Shantha & Aruna. (2019) Palacios et al. (2019)

Q2: Occupation:	• Salaried 1. Government
	      2. Corporate
	• Self Employed 1. Business
	      2. Professional
	• Unemployed (Student, housewife, etc.)
		Shantha & Kalugala (2019) Raju & Patra (2020) Shanmugham &Ramya (2012)

Q3: Education:	• 12th pass • Diploma • Graduate • Postgraduate • Professional Course • Others	Shanmugham & Ramya (2012) Shantha, Aruna. (2019) Palacios et al. (2019)
Q4: Age:	• 25 down • 25-30 • 31-40 • 41-50 • 51-60 • 60 above	Lan et al. (2017) Shanmugham & Ramya (2012) Shantha & Aruna (2019) Palacios et al. (2019)

Q5: Marital status	• Married • Unmarried • Separated • Divorced • widowed • others	Shanmugham & Ramya (2012)
Q6: Monthly Income	• upto 20k • 20-25k • 25-30k • 30-40k • 40-50k • 50k above	Lan et al. (2017) Shanmugham & Ramya (2012)

Investor Trading Behaviour		
Variables/ Constructs	Items	Authors
Q1: Investment Experience (Years)	• Below 2 years • 2-5yr • 6-10yr • 11-15yr • Above 15 years	Lan et al. (2017) Shanmugham &Ramya (2012) Shantha, Aruna. (2019)
Q2: Investment frequency	• Daily • weekly • monthly • Occasionally	Lan et.al (2017) Shantha, Aruna. (2019)
Q3: Risk Appetite (As a % of portfolio)	• Very low risk taker (5 -10%) • Low risk taker (10-15%) • Average risk taker (15-20%) • High risk taker (25-35%) • Very high risk taker (Above 35%)	Shantha, Aruna. (2019)
Q4: Approaches of investment	• Performance of the daily stock activity (Technical analysis & Fundamental analysis) • Advertisement/Media coverage (Newspaper articles, financial website, Television, radio) • General advice (brokers, family, friends,etc.) • Others	Lan et.al (2017), OECD INFE (2011), Teoh et al. (2021)
Q5: Type of investor are you:	• Speculator (Less than a week) • Short-term investor (4-12 weeks) • Special situation investor • Medium-term investor (13-52 weeks) • Long-term investor (Above 52 weeks)	Shanmugham &Ramya (2012) Shantha, Aruna. (2019) Palacios et al. (2019)
Q6: Magnitude of Investment:	• Less than 50k • 50- 1 lakh • 1-1.5 lakhs • 1.5-2 lakhs	Lan et al. (2017) Shanmugham &Ramya (2012)

	• Above 2 lakh	
Q7: Personal Values of Investor	• **Materialism** 1. I make investment for fulfilling my wealth expectations (gold, Property, etc.) 2. I don't think it matters how many material possessions someone owns. (gold, Property, etc.) 3. I am influenced by the people who own branded products, expensive homes, cars and clothes • **Collectivism** 1. Individuals should put their own interests aside for the good of the group or community to which they belong. 2. The well-being of themselves is more essential than community achievement. 3. Individuals should remain loyal to the organisation despite hardships. • **Religiosity** 1. If I have to make major decisions, I am guided by spiritual ideals. 2. If more people would use their religion they would have made better decisions in investing. 3. I respect my religion, but there are a lot of other things that are equally vital to me while investing.	Chen (2007), Easwar (2009), Singh (2020), Kirmani and Khan (2016)
Q8: Investment Choices	• Stocks • Bonds • Funds • Hybrid	Lan et al. (2017) Sun life statistics. (2015). Teoh et al. (2021) Dorfleitner, et al. (2014)

Inclination towards Social Responsible Investment		
Variables	**Measurement variables**	**Authors**
Q1: Company values	**1.** I take into account the company's commitment to diversity (Cultural and religion inclusion, Teamwork, Equality) **2.** I take into account a company's commitment to its stakeholders (Commitment, Growth, Performance) **3.** I take into account a company's commitment to honesty (Transparency, Accountability and Governance, Work Ethics) **4.** I consider the Commitment of company towards social responsibility (Global perspective, Unity, Sustainability)	Taseema et al. (2019) Wood, S. (2021)

	5. I consider the Commitment of company towards employees (Employees Development, Health & wellness, Recognition) 6. I consider the commitment of the company towards Entrepreneurship (Innovation, Leadership, Agility or swiftness) 7. I consider the Commitment of company towards customer relationships (Service, Quality, Relationship)	
Q2: Moral intensity	1. If I had to select between two businesses to invest in, I would go with the one whose goods are least damaging to the environment and other people. (social consensus) 2. I believe buying social responsible investments unquestionably boosts the success of socially responsible businesses and companies. (concentration of effect) 3. If I do not engage in socially responsible investments, then sustainability and environment of future generations will be at risk.(temporal immediacy) 4. I have no doubt that neglecting socially conscious investing will have a detrimental effect on matters pertaining to the governance, society, and environment. (probability of effect) 5. I believe that employers and customers will automatically reap the benefits of ethical investment practices, followed by society as a whole.(magnitude of consequence)	Jones (1991), Keith G. StangaAndrea S. Kelton (2015), Rousselet (2018), Singhapakdi (1996), Raut et al. (2020) Khare (2015) Yu-Chang et al. (2018), Singh (2020)
Q3: Attitude	1. I believe Investing in Social Responsible stocks is an intelligent choice. 2. I believe it is advantageous to make socially responsible investment. 3. Investment in social responsible stock impresses me as being innovative. 4. Investing in socially conscious stocks makes you feel good inside. 5. Environmental protection is important to me when making investment decision 6. Between socially responsible investment and conventional investment you prefer environment friendly one 7. You think that purchasing environmental/social/sustainable friendly investment is favourable	Raut (2020), Taylor and Todd (1995), Chen (2007), Raut (2018), Singh (2020), Maichum, Kamonthip & Parichatnon, Surakiat & Peng, Ke-Chung. (2016).
Q4: Return	1. Socially Responsible stocks are more profitable in long term.	Yu-Chang et al. (2018) Palacios et al. (2019)

	2. Socially responsible stocks gives similar returns in comparison to other traditional investment. 3. I would be willing to receive a lower return for social responsible investment 4. If the return and terms of a socially responsible product were same as those of a traditional financial product, I would like to invest for it. 5. Investing in social financial products seems to be able to generate me high return	
Q5: Perceived money availability	1. I want to invest in socially conscious companies, but there is lack the funds, I am unable to do so. 2. I believe I can make any anticipated purchases in social responsible investment. 3. I believe I have enough additional money to invest in businesses that uphold social responsibility.	Hyo Jung Chang, Kittichai (Tu) Watchravesringkan, (2018)
Q6: Perceived effectiveness	1. It is worthwhile for the average investor to take action against pollution. 2. When I purchase investments, I make an effort to think about how my use of them may impact the environment and other societal members. 3. What I do with my investment matter a lot because one person can have an impact on issues with pollution and natural resources. 4. If an investor purchases securities offered by socially conscious businesses, that investor's actions will benefit society. 5. I believe I can contribute to resolving environmental issues.	Han, H., & Yoon, H. J. (2015), YEONSHIN KIM (2011)
Q7: Willingness to invest	1. I would like to invest in shares/stock/companies Companies that disregard environmental protection 2. When I decide which investment to purchase, I often first exclude companies with poor corporate governance 3. When I decide which investment to purchase, I often first exclude companies that have socially unjust operations 4. I would pay extra for socially responsible products even if the performance were same as the conventional products 5. I would pay extra for socially responsible products even if it is less-promoted. 6. The probability that you will pay extra to buy socially responsible investment is very high	Yu-Cheng Lin, Chiung-Yao Huang, Yu-Shan Wei, (2018), Al Mamun, Abdullah; Fazal, Syed; Ahmad, Ghazali; Yaacob, Mohd; Mohamad, Mohd. (2018).

3.4.3 PILOT STUDY

At the outset, a pilot survey employing a semi-structured schedule-based questionnaire was planned to evaluate the validity and dependability of the survey developed by the researcher. The questionnaire underwent testing to ensure consistency and practicality, aiming to meet the criteria for scale refinement and validation. The initial version of the questionnaire was administered to a chosen group of 39 respondents, aiding in the identification and removal of ambiguous and irrelevant questions. Drawing from the knowledge acquired through pilot research, the questionnaire underwent further refinement, and this improved version was utilized for the final data collection.

3.4.4 FACE VALIDITY

Validating an instrument or questionnaire is crucial, as it ensures that the information gathered accurately reflects the desired results. An essential aspect of this process is the preliminary evaluation known as face validity. The face validity of the measuring instrument is confirmed by gathering input from industry experts and academics. The primary aim of conducting face validity is to assess the instrument's relevance from both industry and academic perspectives. When experts and academics affirm that the instrument effectively measures its intended variables, it is considered face validated. In this study, industry experts and academics were consulted to establish the face validity of the measuring instrument.

Table 3.2 Opinion of experts

Sr. No.	Name	Company/Institute	Designation	Area
1.	Dr. Harpreet Bedi	Lovely Professional University	Associate Professor	Academic
2.	Dr. Satbir Singh	Sanatan Dharma College, Ambala Cantt	Assistant Professor	Academic
3.	Dr. Tajinder Sharma	Kurukshetra University, Kurukshetra	Professor	Academic
4.	Mr. Vijay Kumar	Central Bank of India	Manager	Industry
5.	Mr. Varun Aggarwal	Profit Idea	Owner	Industry
6.	Mr. Vaibhav Barge	Learnapp.com	Employee	Industry

| 7. | Dr. Pawan Kumar | Lovely Professional University | Associate Professor | Academic |

3.4.5 RESEARCH TYPE

Research can be broadly defined as the systematic collection and analysis of data and information to advance knowledge in any field. It aims to address both intellectual and practical questions by employing systematic methods. In this research study, the approach is both exploratory and descriptive. Exploratory research involves a fact-finding investigation with an interpretation of first-hand information. On the other hand, descriptive research is employed to gather accurate and comprehensive information about a concept, situation, or practice. It focuses on obtaining facts to understand the nature of something as it currently exists. The study is primarily designed for exploring information, utilizing both primary and secondary data to formulate conclusions.

3.4.6 UNIVERSE OF THE STUDY

Primary data for the study was gathered from two Indian states, Punjab and Haryana. The study focused on 22 districts in Haryana and 23 districts in Punjab.

Table 3.3 Districts of Punjab

Amritsar	Bathinda	Fatehgarh Sahib
Fazilka	Hoshiarpur	Kapurthala
Malerkotla	Moga	Pathankot
Rupnagar	Sangrur	Tarn Taran
Shahid Bhagat Singh Nagar	Patiala	Sahibzada Ajit Singh Nagar
Sri Muktsar Sahib	Mansa	Ludhiana
Jalandhar	Gurdaspur	Firozpur
Faridkot	Barnala	

Source: Punjabgov.in

Table 3.4 Districts of Haryana

Ambala	Charkhi Dadri
Fatehabad	Hisar
Jind	Karnal
Mahendragarh	Palwal
Panipat	Rohtak
Sonipat	Bhiwani
Faridabad	Gurugram
Jhajjar	Kaithal
Kurukshetra	Nuh
Panchkula	Rewari
Sirsa	Yamunanagar

Source: haryanagov.in

3.4.7 SAMPLING

Sampling can be characterized as the process of choosing a portion of a whole or entirety, upon which judgments or inferences about the entire aggregate can be drawn. A sample size of 398 individual investors was chosen for the survey in this study. After an extensive literature review, a method was devised to fulfil the research study's objectives.

a)   Sample Design: The study's sample is derived from a multistage random sampling technique. The geographical locations between two states, dividing two states into 45 regions, formed the basis for this sampling method.

b)   Selection of Respondents: Respondents from the two Indian states were chosen randomly for inclusion in the study. From these 45 regions, 9 responses were collected from each, resulting in a total of 430 responses. Out of these, 398 responses were considered meaningful for the purpose of the study.

3.4.8   DATA COLLECTION FOR THE STUDY

For this study, data collection methods were chosen based on the study objectives, the merits and drawbacks of data sources, and time considerations. Both primary and secondary data sources were utilized in tandem to ensure comprehensive coverage of the topic.

a) *Primary Data:* Primary data were acquired through the use of a questionnaire as the primary tool for data collection. Personal interactions were employed for data gathering, facilitated by a well-structured and pretested questionnaire provided in the Appendix. The questionnaire was specifically designed to explore investor preferences concerning Socially Responsible Investing. Distribution of questionnaires was conducted by the researcher in person, through mail (google forms). Respondents were given the assurance that the data would only be utilised for study. Information was gathered from two Indian states. SPSS software was used to analyse the questionnaire responses

b) *Secondary Data:* Secondary information was acquired from a number of sources, such as journals and reports, magazines and journals, daily newspapers, and books related to the subject. Additionally, unpublished records were utilized.

3.4.9 STATISTICAL TOOLS AND TECHNIQUES:

Descriptive analysis is used for analysing the data in the form of graphs, charts and frequency, descriptive statistics help you understand what the data is saying in a straightforward way. Inferential statistics are used to make conclusions or predictions about a population based on a sample of data. It involves hypothesis testing, estimation, and determining relationship between variables, the inferential techniques used in the study are hypothesis testing. Also, canonical correlation analysis was used to examine the relationships between the set of variables. It is a multivariate technique that allows the exploration of associations between two sets of variables. The aim of the analysis is to understand how one group of variables relates to another. Each set of variables is combined into a weighted sum (canonical variate) so that the correlation of the two sets can be assessed. The technique is particularly useful when the researcher wants to explore complex relationships between multiple variables.

3.4.10 HYPOTHESIS TESTING

Objective 3. To study the relationship of trading behaviour of investors and inclination towards Social Responsible investment.

Under objective 3, these hypotheses indicate their connection to the same objective.

$H1_o$: There is no significant relation between investment experience and inclination towards socially responsible investment.

$H1_1$: There is significant relation between investment experience and inclination towards socially responsible investment.

$H2_o$: There is no significant relation between investment frequency and inclination towards socially responsible investment.

$H2_1$: There is significant relation between investment frequency and inclination towards socially responsible investment.

$H3_o$: There is no significant relation between risk appetite and inclination towards socially responsible investment.

$H3_1$: There is significant relation between risk appetite and inclination towards socially responsible investment.

$H4_o$: There is no significant relation between approaches of investment and inclination towards socially responsible investment.

$H4_1$: There is significant relation between approaches of investment and inclination towards socially responsible investment.

$H5_o$: There is no significant relation between type of investor and inclination towards socially responsible investment.

$H5_1$: There is significant relation between type of investor and inclination towards socially responsible investment.

$H6_o$: There is no significant relation between magnitude of investment and inclination towards socially responsible investment.

$H6_1$: There is significant relation between magnitude of investment and inclination towards socially responsible investment.

$H7_o$: There is no significant relation between materialism and inclination towards socially responsible investment.

$H7_1$: There is significant relation between materialism and inclination towards socially responsible investment.

H8$_o$: There is no significant relation between collectivism and inclination towards socially responsible investment.

H8$_1$: There is significant relation between collectivism and inclination towards socially responsible investment.

H9$_o$: There is no significant relation between religiosity and inclination towards socially responsible investment.

H9$_1$: There is significant relation between religiosity and inclination towards socially responsible investment.

H10o: There is no significant relation between investment choice and inclination toward socially responsible investment

H10$_1$: There is significant relation between investment choice and inclination toward socially responsible investment

Objective 4. To study the relationship of demographic characteristics of investors and their inclination towards Social Responsible Investment.

Under objective 4, these hypotheses indicate their connection to the same objective.

H11o: There is no significant relation between gender and inclination toward socially responsible investment

H11$_1$: There is significant relation between gender and inclination toward socially responsible investment

H12o: There is no significant relation between occupation and inclination toward socially responsible investment

H12$_1$: There is significant relation between occupation and inclination toward socially responsible investment

H13o: There is no significant relation between qualification and inclination toward socially responsible investment

H13$_1$: There is significant relation between qualification and inclination toward

socially responsible investment.

H14o: There is no significant relation between age and inclination toward socially responsible investment.

H14$_1$: There is significant relation between age and inclination toward socially responsible investment.

H15o: There is no significant relation between monthly income and inclination toward socially responsible investment.

H15$_1$: There is significant relation between monthly income and inclination toward socially responsible investment.

H16o: There is no significant relation between marital status and inclination toward socially responsible investment.

H16$_1$: There is significant relation between marital status and inclination toward socially responsible investment.

3.5 LIMITATIONS OF THE STUDY

There are some restrictions on the research inherent in its scope and design, as is common in any research endeavour. Some of the identified limitations include:

1. The research is predicated on a sample size of just 398 respondents.
2. There is a potential for the inclusion of more variables in the study to enhance its comprehensiveness.
3. The absence of a specific model for the study could be considered a limitation.
4. Limited awareness of the topic "Socially Responsible Investment" in India poses challenges in data collection.
5. The study is susceptible to respondent bias, as the analysis heavily relies on the information provided by respondents.
6. Reluctance among individuals to provide complete information may affect the validity of responses.
7. A lack of available literature in certain areas of study, particularly within the field of socially conscious investing, is a significant limitation.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

In the process of conducting research, data analysis and interpretation play a crucial role in extracting meaningful insights from the collected information. This phase involves the systematic examination, organization, and synthesis of data to draw conclusions and make informed interpretations. In this chapter, the researcher aimed to determine the inclination of individual investors towards socially responsible investment. To achieve this goal, primary data was collected from investors residing in the states of Punjab and Haryana.

4.1 INTRODUCTION TO DATA ANALYSIS AND INTERPRETATION

Research is a dynamic process that goes beyond the mere collection of data. Once the relevant information has been gathered, the subsequent steps involve making sense of the data to unravel patterns, trends, and relationships. Data analysis is the methodological approach employed to scrutinize the collected data, transforming it into valuable insights that contribute to answering the research questions.

4.2 DEMOGRAPHIC PROFILE OF INVESTORS

Understanding the demographic profile of investors is a critical aspect of financial study, providing insightful information about the characteristics and preferences of individuals participating in financial markets. Demographics encompass various socioeconomic characteristics, including age, gender, earnings, education, and marital status, as well as employment and qualification among others. Analyzing the demographic composition of investors provides researchers, policymakers, and financial professionals with a nuanced understanding of the dynamics influencing investment decisions. Demographics have a crucial influence on how investors behave and influencing financial choices. Different demographic groups often Figure distinct risk tolerances, investment goals, and preferences. For instance, younger investors might prioritize growth-oriented assets, while older investors may lean towards income-generating investments. Gender, educational background, income levels, age, occupation also contribute to variations in investment strategies.

Table 4.1 Demographic profile of respondents

Title	Category	Frequency	Percent
Gender	Female	176	44.2
	Male	222	55.8
Occupation	Salaried (Government, corporate)	155	38.9
	Self-employed (Business, professional)	59	14.8
	Unemployed (housewife, professional)	146	36.7
	Others	38	9.5
Qualification	Doctorate	12	3.0
	Postgraduate	166	41.7
	Professional course	29	7.3
	Undergraduate	191	48
Age	25-30 years	115	28.9
	31-40 years	93	23.4
	41-50 years	93	23.4
	Up to 25 years	97	24.4
Income	Up to 20000	148	37.2
	20000-25000	68	17.1
	25000-30000	17	4.3
	30000-40000	33	8.3
	40000-50000	43	10.8
	Above 50000	89	22.4
Marital status	Married	143	35.9
	Unmarried	245	61.6
	Separated	10	2.5

Source: Author's calculations

The investors profiles are displayed in with the help of statistical charts:

i) **Gender:** Exploring gender-based differences in investment involvement and approach has been a focal point of research. Delving into the demographic gender gap provides insights into potential obstacles and prospects for fostering gender-inclusive financial participation. The study reveals that 56% of the investors are male, while 44% are female, offering a comprehensive perspective on gender representation in the research study.

Figure 4.1

Percentage of respondents on the basis of gender
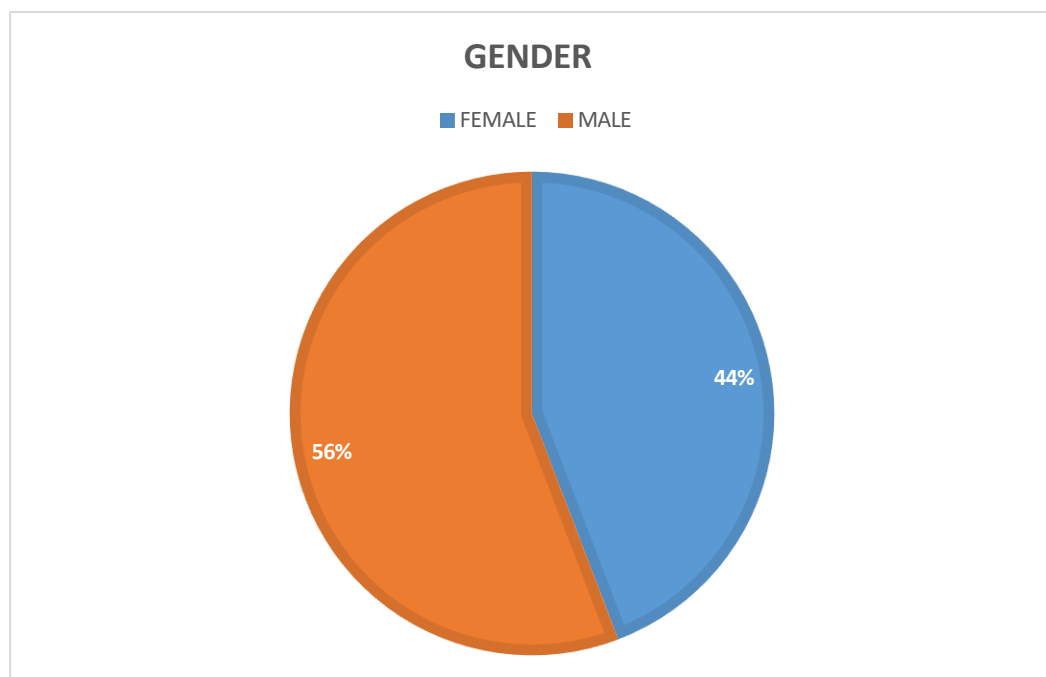
ii) **Occupation:** The financial capacities of investors, influenced by factors such as income and occupation, significantly impact their investment inclinations. Higher-income individuals tend to favor more complex investment instruments, and the type of occupation can shape their risk tolerance. According to the survey findings, 39% of respondents are salaried employees, 15% are self-employed, 37% are categorized as unemployed, encompassing housewives or students, and the remaining 9% of investors fall into various other occupational categories.

Figure 4.2

Percentage of respondents on the basis of occupation
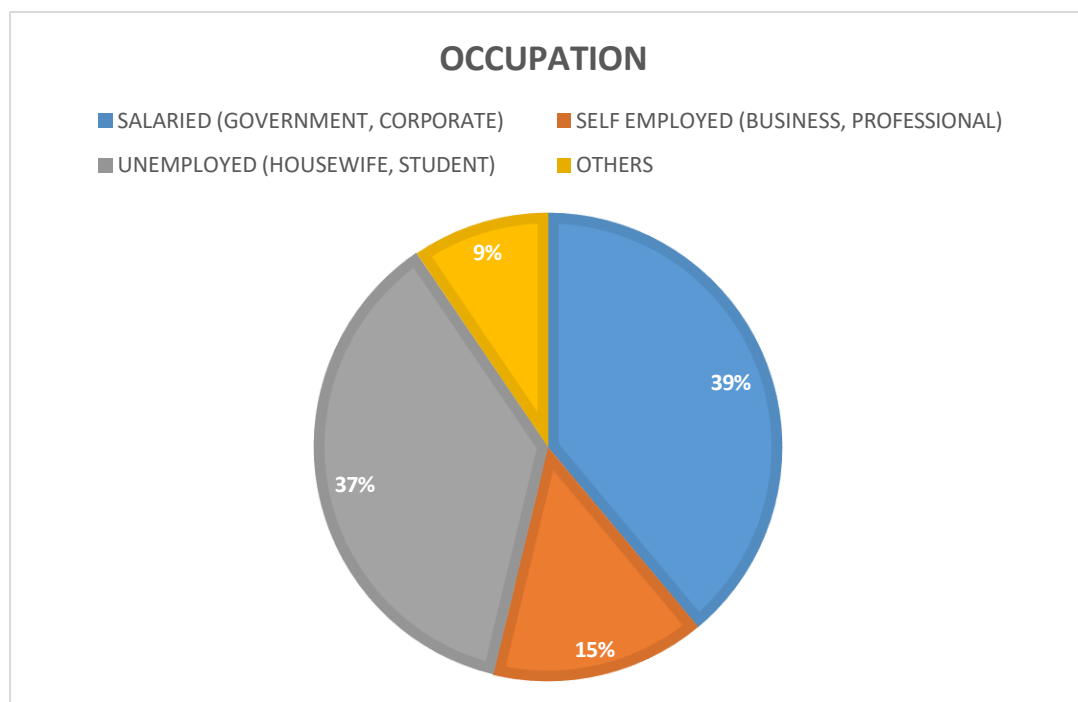
iii)   **Qualification**: Educational attainment is intricately connected to financial literacy, influencing the way investors comprehend market information and make informed decisions. Recognizing the educational background of investors is essential for crafting impactful financial education initiatives. The survey results reveal that 3% of investors hold doctorate degrees, 42% are postgraduates, 48% have undergraduate qualifications, and 7% have completed various professional courses

Figure 4.3

Percentage of respondents on the basis of qualification
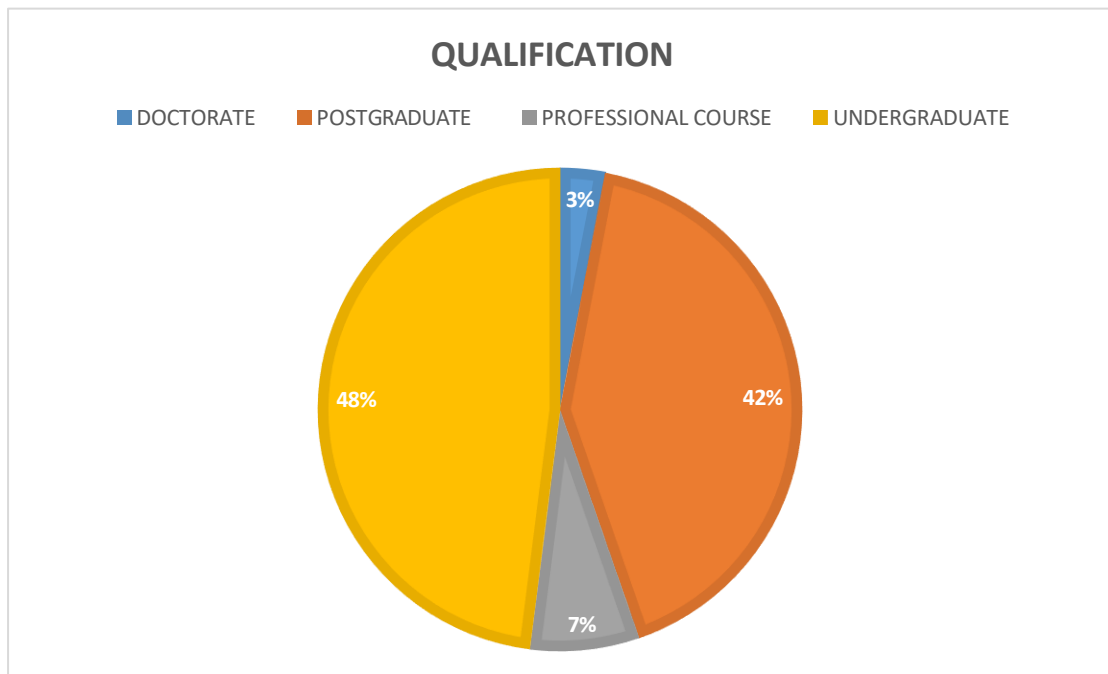
iv) **Age:** It stands as a crucial demographic determinant that shapes investment behavior. The preferences of younger investors may revolve around growth and risk, whereas older investors may place a higher priority on income production and capital preservation. Examining trends related to age provides valuable insights into the distinct investment preferences across different generations. The survey data indicates that 29% of investors fall between the ages of 25 and 30 years old, 24% are in the 31-40 years category, 23% are between 41-50 years old, and 24% belong to the category of investors under 25 years old.

Figure 4.4

Percentage of respondents on the basis of age
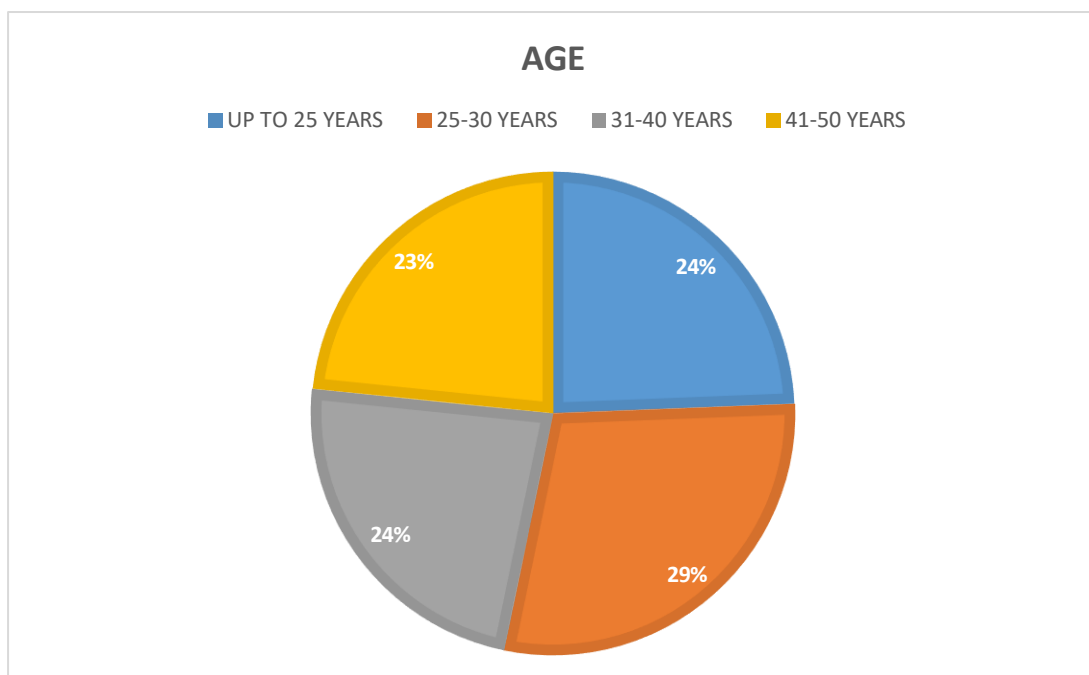
v) **Income:** Investigating the income impact of demographic factors entails exploring the interactions and contributions of these demographic variables to variations in income levels within different population groups. This examination provides insights into economic disparities, aiding in the customization of financial strategies or policies. The survey reveals that 23% of investors fall into the income bracket above 50000, 17% earn between 20000 and 25000, 37% have an income below 20000, 4% fall into the 40000-50000 range, 8% earn between 30000 and 40000, and 11% have an income between 40000 and 50000.

Figure 4.5

Percentage of respondents on the basis of income
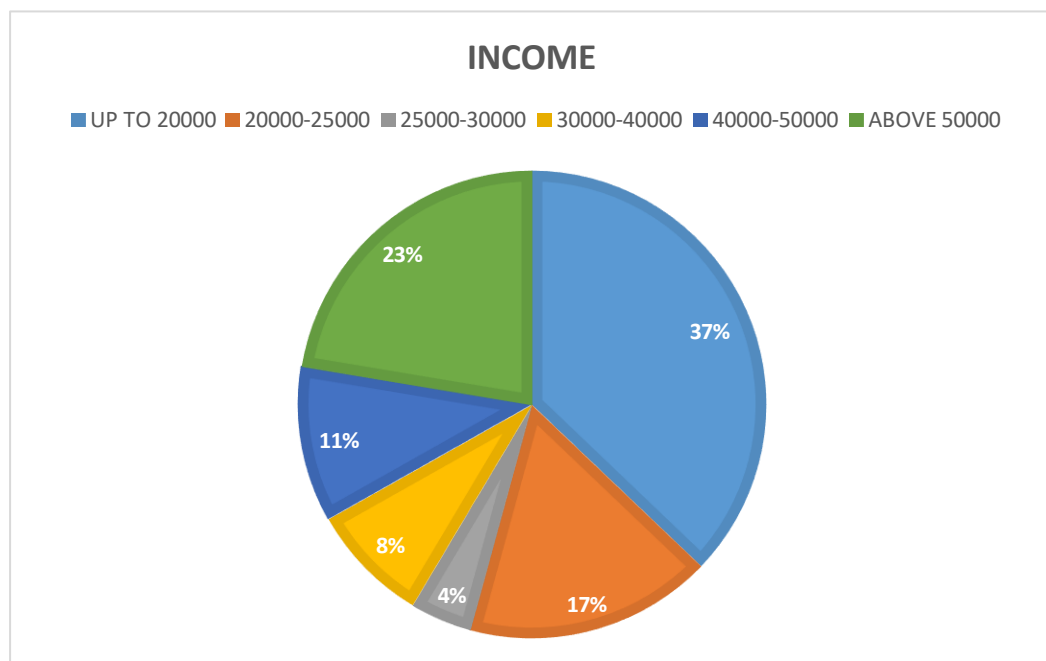
vi) **Marital status**: It influence individuals who have shared financial goals and responsibilities, such as saving for a home, children's education, or retirement. marital status can influence various aspects of investment decision-making, including risk tolerance, financial goals, communication dynamics, and long-term planning strategies. Understanding these influences can assist people in making well-informed decisions regarding investments that are consistent with their common financial goals and personal circumstances. Marital status can influence financial goals. For instance, married individuals may prioritize long-term financial planning, while single individuals might focus on short-term objectives. There are 62% married investors, 36% investors are unmarried and 2% are separated.

Figure 4.6

Percentage of respondents on the basis of marital status

MARITAL STATUS

■ MARRIED ■ UNMARRIED ■ SEPERATED

2%

36%

62%
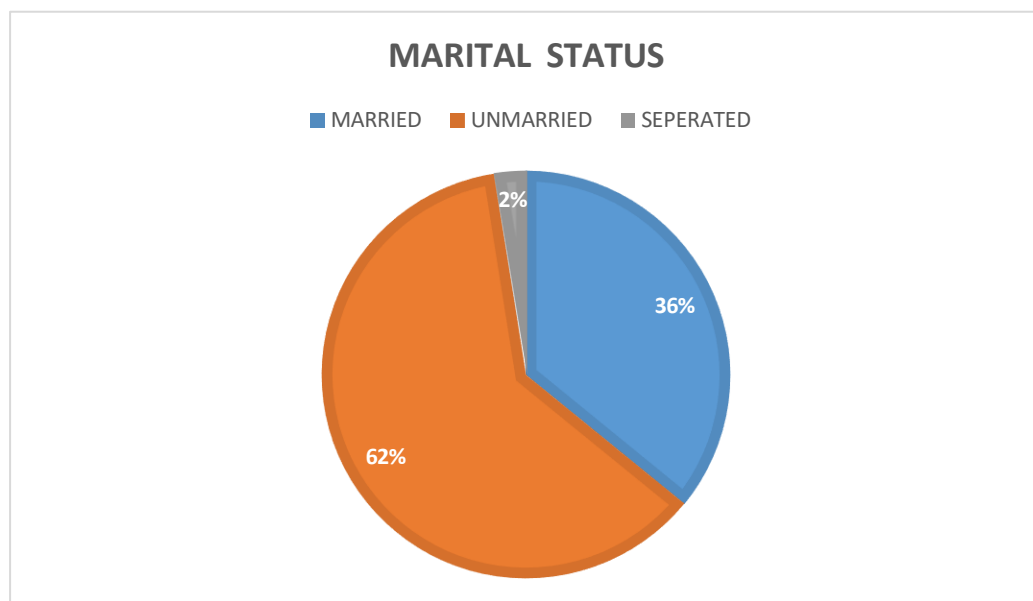
4.3 OBJECTIVES OF THE RESEARCH STUDY

The research proposal seeks to achieve four main goals, the validation of which is detailed in the subsequent paragraphs:

OBJECTIVE 1: TO STUDY THE TRADING BEHAVIOR OF INDIVIDUAL INVESTORS IN THE STOCK MARKET.

Trading behavior delves into the various patterns, strategies, and decision-making processes that individuals or entities employ when participating in financial markets. It encompasses a wide range of factors, including the frequency of trades, risk tolerance, investment preferences, use of information sources, and reliance on financial advisors. Understanding trading behavior is crucial for uncovering the drivers behind investment choices, market dynamics, and the psychological aspects influencing trading activities. Researchers in this field analyze data to identify patterns, assess the impact of external factors, and gain insights into how different demographic, psychological, or market-related variables influence trading decisions.

Table 4.2 provides a comprehensive overview of the variables used to evaluate trading behavior among individual investors. Through analysing these factors, scientists might acquire a more profound comprehension of how investors engage with the stock market. Analyzing these factors collectively enables researchers to paint a more nuanced picture of investors' trading behavior and its underlying drivers.

Table 4.2: The study has utilized the following variables to assess trading behavior

Title	Category	Frequency	Percent
Investment Experience	11-15 years	11	2.8
	2-5 years	108	27.1
	6-10 years	37	9.3
	Above 15 years	13	3.3
	Up to 2 years	229	57.5
Investment Frequency	Daily	16	4.0
	Monthly	103	25.9
	Occasionally	258	64.8
	Weekly	21	5.3
Risk Appetite	Average risk taker (15-20%)	102	25.6
	High risk taker (25-35%)	49	12.3
	Low risk taker (10-15%)	74	18.6
	Very high-risk taker (above 35%)	20	5.0
	Very low risk taker (5-10%)	153	38.4
Investment Approach	Advertisement/ media coverage (newspaper, articles, financial website, television, radio))	55	13.8
	General advice (broker, family, friends, etc)	112	28.1
	Technical analysis or fundamental analysis	135	33.9
	Others	96	24.1
Type of Investor	Long term investor (above 52 weeks)	120	30.2
	Medium- term investor (13-52 weeks)	84	21.1
	Short term investor (4-12 weeks)	124	31.2
	Special situation investor (an uncommon occurrence involving a stock or other asset that an investor views as a purchasing opportunity.)	10	2.5
	Speculator (less than a week)	60	15.1
Magnitude of Investment	10-20k	59	14.8
	20-30k	54	13.6
	30-50k	12	3.0

		50k -1 lakh	21	5.3
		Above 1 lakh	76	19.1
		Less than 10k	176	44.2
Investment choice	Stock	Least Preferred	72	18.1
		Preferred	168	42.2
		Most Preferred	158	39.7
	Funds	Least Preferred	118	29.6
		Preferred	136	34.2
		Most Preferred	144	36.2
	Debt	Least Preferred	251	63.1
		Preferred	115	28.9
		Most Preferred	32	8.0
	Hybrid	Least Preferred	154	38.7
		Preferred	192	48.2
		Most Preferred	52	13.1

Source: Author 's calculations

i)   **Investment Experience:** Exploring investment experience involves assessing how individuals past engagements with financial markets influence their present investment patterns. This encompasses the duration of active involvement, the range of investment instruments encountered, and the insights gained from previous interactions with the market. Of the participants, 58% have an investment experience of 2 years, 27% fall within the 2-5 years range, 9% have 6-10 years of experience, 3% have 11-15 years, and another 3% have accumulated over 15 years of investment experience.

Figure 4.7

Percentage of respondents on the basis of investment experience
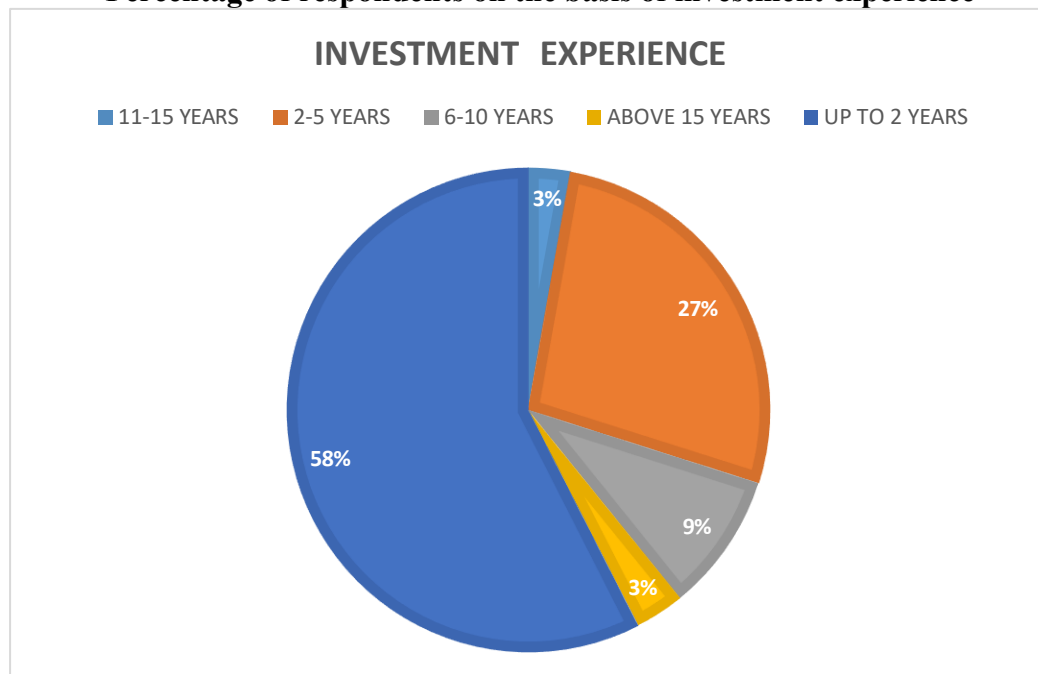
ii)   **Investment Frequency:** Investment frequency pertains to how frequently an individual or entity participates in the buying or selling of financial assets within a specified timeframe. It serves as a crucial aspect of investment behavior, indicating the level of activity within a person's investment portfolio. Among the respondents, 65% engage in occasional investments, 26% invest on a monthly basis, 5% invest weekly, and 4% invest daily.

Figure 4.8

Percentage of respondents on the basis of investment frequency
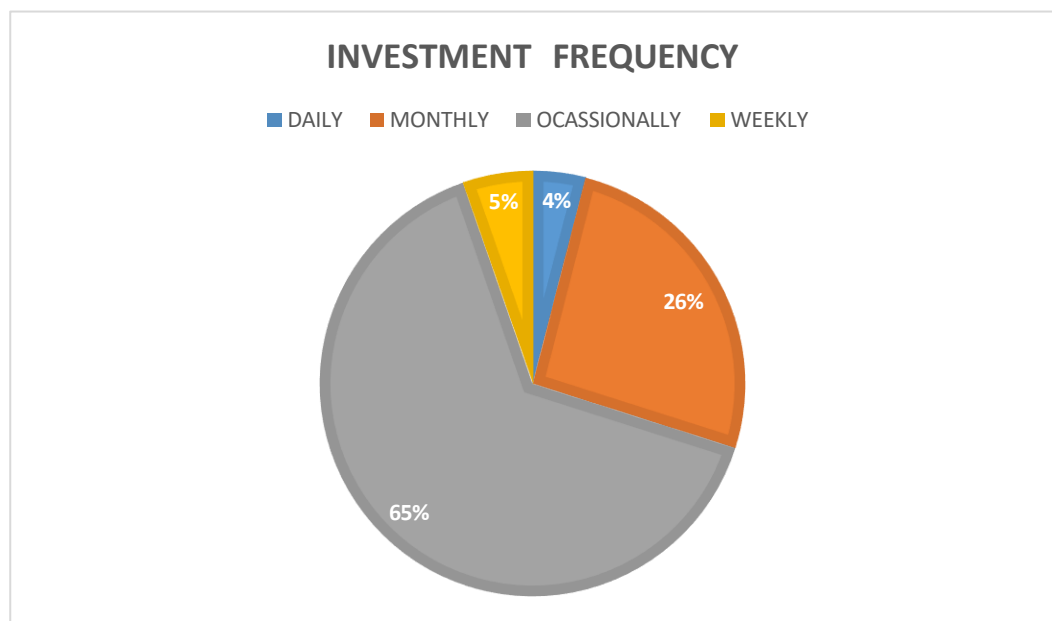
iii)   **Risk appetite:** Risk appetite refers to an individual's or entity's readiness and capability to embrace risk with the aim of achieving potential returns. Grasping one's risk appetite is essential for investors, financial advisors, and institutions in the decision-making process. It facilitates the alignment of investment strategies with individual preferences, ensuring a well-balanced and suitable approach to risk management. Among the respondents, 38% Figure a very low risk appetite, 26% have an average risk appetite, 19% are low-risk takers, 5% have a very high risk appetite, and 12% are categorized as high-risk takers.

Figure 4.9

Percentage of respondents on the basis of risk appetite
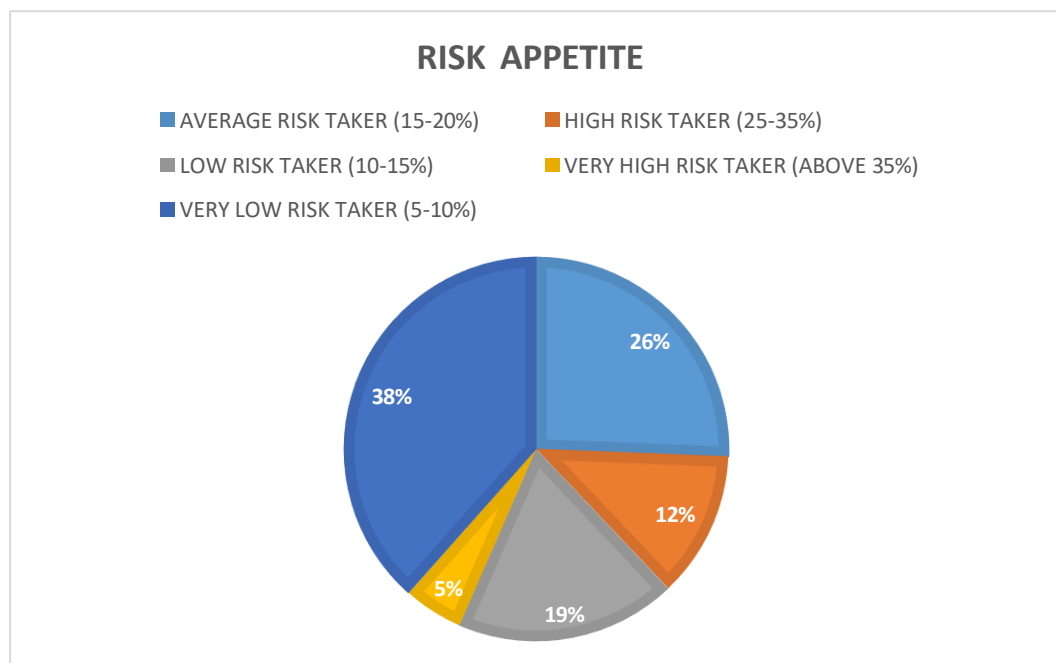
iv) **Investment approach:** The investment approach denotes the comprehensive strategy or methodology embraced by an investor or investment manager to attain specific financial objectives while navigating the intricacies of financial markets. It encompasses decisions regarding capital allocation, asset selection, and portfolio management. Among the respondents, 14% rely on advertisements and media coverage for investment decisions, 28% seek general advice from family and friends, 28% utilize technical and fundamental analysis, and 24% fall into the "other" category.

Figure 4.10

Percentage of respondents on the basis of investment approach
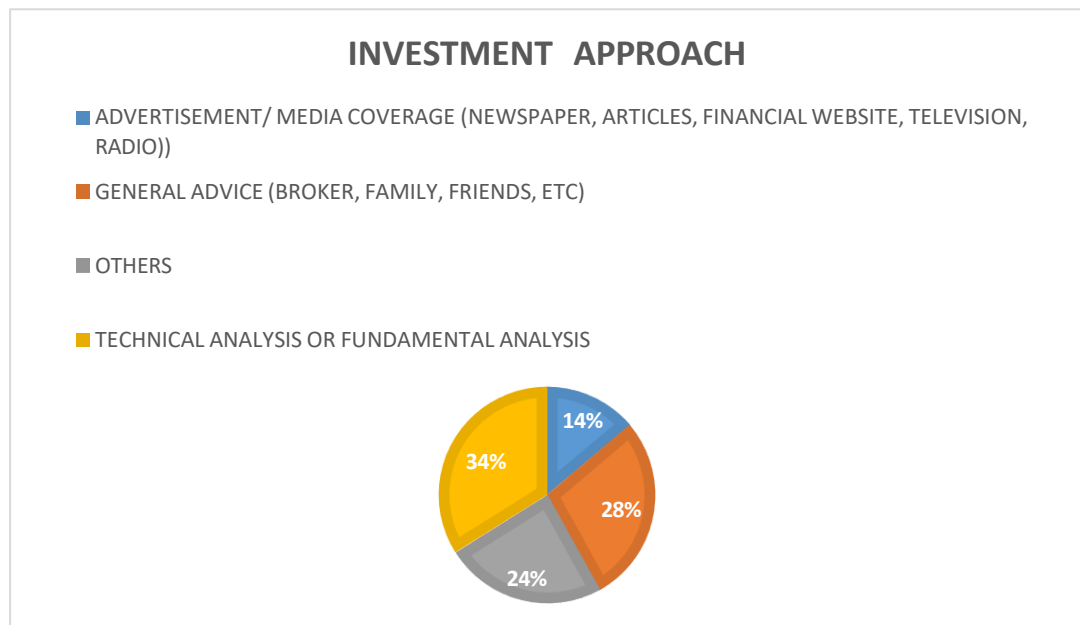
v) **Type of investor**: Investors can be classified into different categories depending on various criteria. Those falling into the long-term investing category constitute 30%, medium-term investors make up 21%, short-term investors comprise 31%, and special situation investors represent 3%.

Figure 4.11

Percentage of respondents on the basis of type of investor

TYPE OF INVESTOR

■ LONG TERM INVESTOR (ABOVE 52 WEEKS)

■ MEDIUM- TERM INVESTOR (13-52 WEEKS)

■ SHORT TERM INVESTOR (4-12 WEEKS)

■ SPECIAL SITUATION INVESTOR (investing is an unusual event related to a stock or other asset that is seen by investors as a buying opportunity.)

■ SPECULATOR (LESS THAN A WEEK)
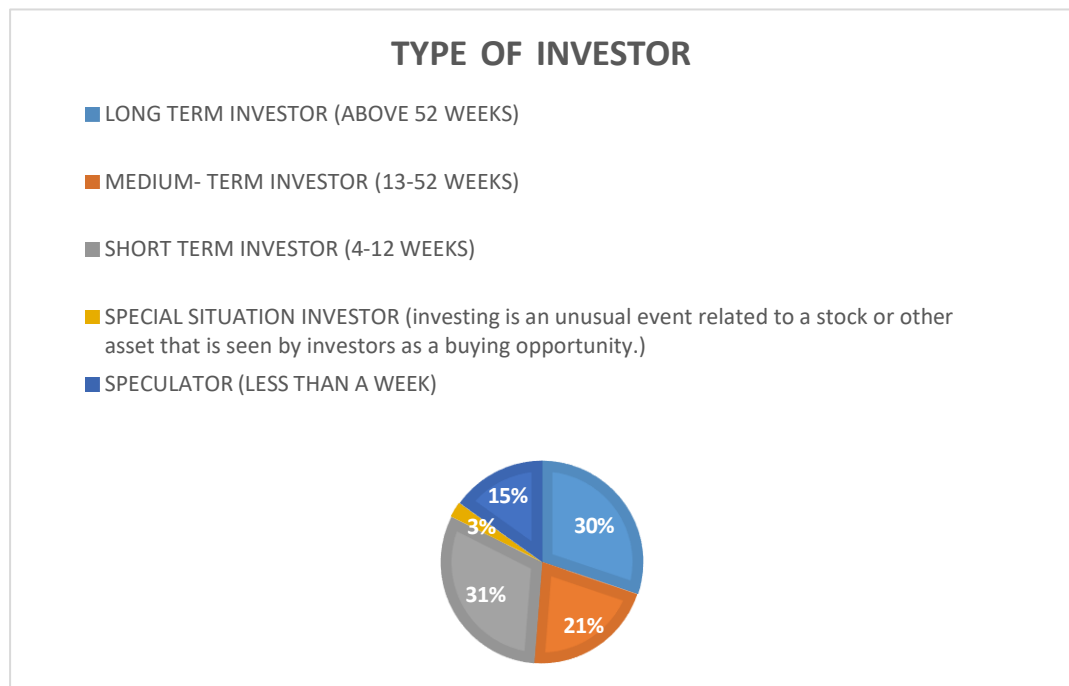
vi) **Magnitude of Investment:** The term "magnitude of investment" pertains to the size or extent of the investment undertaken by an individual, institution, or entity. It represents the monetary value or quantity of funds dedicated to a specific investment opportunity. Assessing the magnitude of investment is vital for understanding the impact of an investment decision and gauging the level of financial commitment involved. Investors allocating less than 10,000 constitute 44%, those investing in the range of 10,000-20,000 make up 15%, investors dedicating between 20,000-30,000 account for 14%, those investing between 30,000-50,000 make up 3%, those in the range of 50,000-1 lakh constitute 5%, and those investing above 1 lakh represent 19%.

Figure 4.12

Percentage of respondents on the basis of magnitude of investment
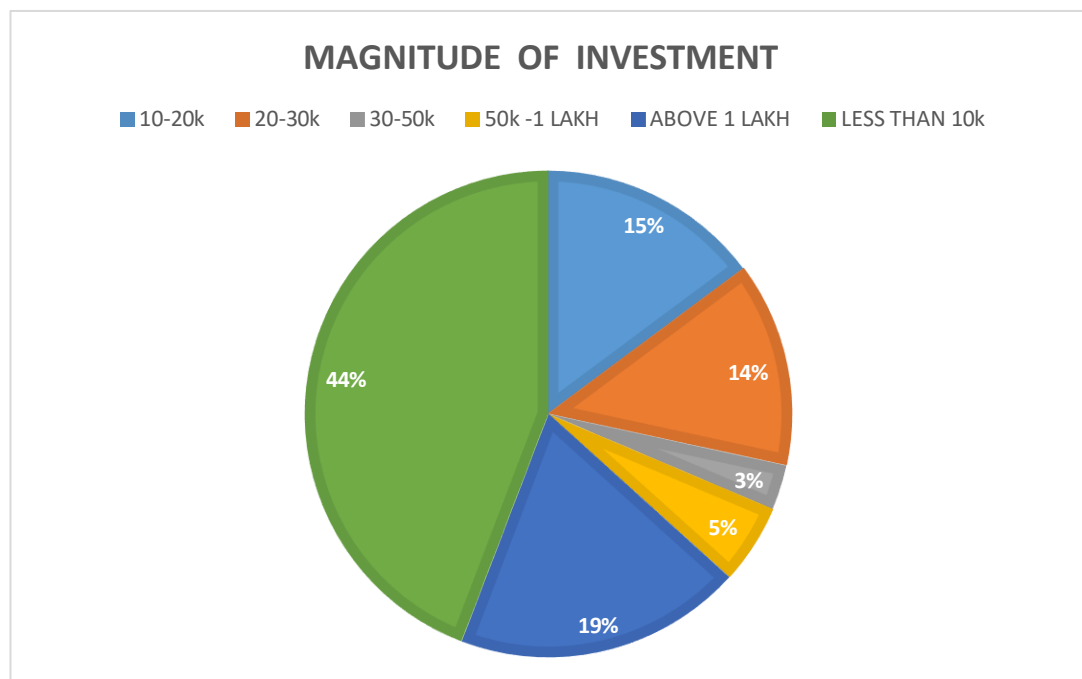
vii)   **Investment choice**: The decision on investment choices is influenced by various factors, primarily determined by the investor's financial objectives. "Investment choice" signifies the selections made by individuals or entities concerning the allocation of their funds among different financial instruments or assets. This decision-making process involves evaluating various investment options and opting for those that align with the financial objectives, risk tolerance, and overall investment strategy of the individual. Among investors choosing stocks, 18.1% are least preferred, 42.2% are preferred, and 39.7% are most preferred. For investors selecting funds, 29.6% are least preferred, 34.2% are preferred, and 36.2% are most preferred. Regarding those investing in debt, 63.1% are least preferred, 28.9% are preferred, and 8% are most preferred. In the case of investors opting for a hybrid form of investment, 38.7% are least preferred, 48.2% are preferred, and 13.1% are most preferred.

Figure 4.13

Percentage of respondents on the basis of investment choice

96
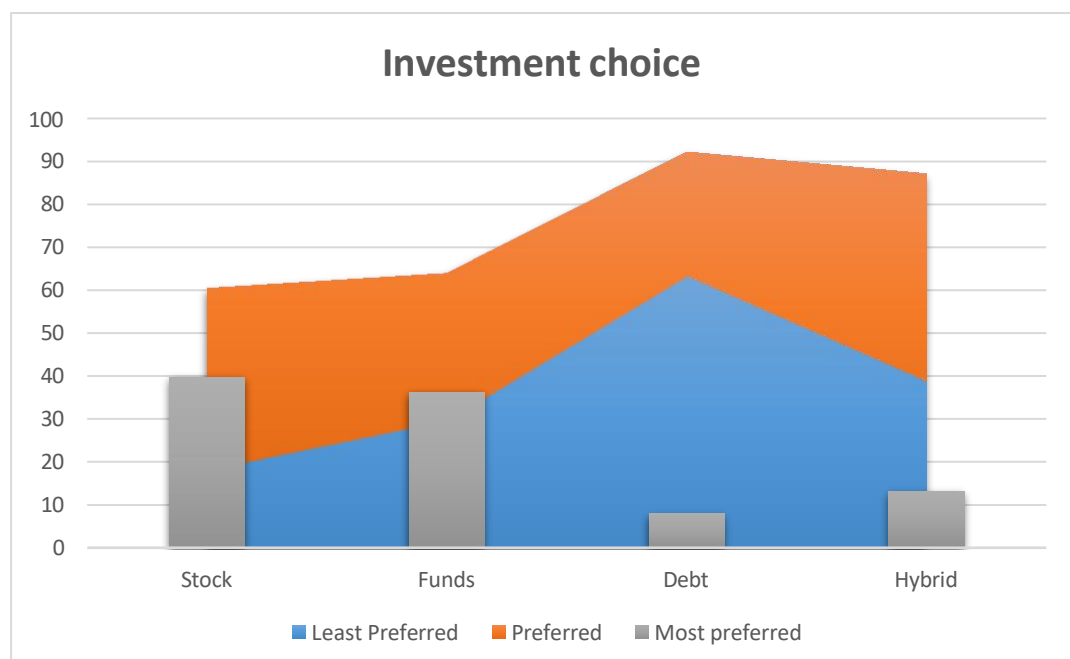
viii) **Personal Values:** Personal values are diverse and shaped by individual experiences and perspectives, influencing decision-making in accordance with core beliefs. Recognizing and comprehending one's personal values is essential for making choices that resonate with individual principles and contribute to a meaningful life. In this research study, three specific values—Materialism, Collectivism, and Religiosity—were identified and categorized using a Likert scale. For, the Cronbach's alpha was computed for each of these three variables to assess their internal consistency and reliability.

- **Materialism**
1. I make investment for fulfilling my wealth expectations (gold, Property, etc.)
2. I don't think it matters how many material possessions someone owns. (gold, Property, etc.)
3. I am influenced by those who purchase luxury goods, fancy homes, vehicles, and clothing
- **Collectivism**
1. Individuals should put their own interests aside for the good of the group or community to which they belong.
2. The well-being of themselves is more essential than community achievement.
3. Individuals should remain loyal to the organisation despite hardships.
- **Religiosity**
1. If I have to make major decisions, I am guided by spiritual ideals.
2. If more people would use their religion, they would have made better decisions in investing.
3. I respect my religion, but there are a lot of other things that are equally vital to me while investing.

Table 4.3 Descriptive Statistics of personal values

	N	Minimum	Maximum	Mean	Std. Deviation
MATERIALISM1	398	1	5	3.72	.992
MATERIALISM2	398	1	5	3.40	1.023
MATERIALISM3	394	1	5	2.95	1.175
COLLECTIVISM1	398	1	5	3.64	1.009
COLLECTIVISM2	398	1	5	3.10	1.230
COLLECTIVISM3	398	1	5	3.66	1.154
RELIGIOSITY1	398	1	5	2.86	1.113
RELIGIOSITY2	398	1	5	2.51	1.166
RELIGIOSITY3	398	1	5	2.86	1.210
Valid N (listwise)	394				

Source: Author 's calculations

Reliability

In research it refers to measures used to assess the consistency and stability of data collected through research instruments. These statistics help researchers determine the extent to which the data obtained from these instruments are dependable and free from random error. Common reliability statistics include Test-retest reliability, inter-rater reliability, Cronbach's alpha, and split-half reliability. These measures provide insights into the internal consistency, stability over time, and agreement among different observers or raters of the data. Reliability statistics are essential for ensuring the validity and trustworthiness of research findings by demonstrating the consistency and accuracy of the measurements used in the study.

Table 4.4: Cronbach's alpha of personal values

Cronbach's Alpha	N of Items
.808	9

Source: Author 's calculations

The dependability of the gathered data is vital to ensure the accuracy and coherence of the study's conclusions. Using Cronbach's alpha, assess the internal consistency of factors like Materialism, Collectivism, and Religiosity demonstrates a meticulous approach to gauging reliability. A high Cronbach's alpha suggests a strong correlation among items within each factor, affirming their reliability. Employing a structured questionnaire in the data collection process reflects a systematic and well-organized methodology. Structured questionnaires are crafted to consistently obtain specific information, contributing to the dependability of the data. The data appears to be dependable for further examination, considering the range of Cronbach's alpha values is between 0.6 and 0.9.

OBJECTIVE 2: TO STUDY THE INVESTORS INCLINATION TOWARDS SOCIAL RESPONSIBLE INVESTMENT.

In the first examination, the information was examined using the mean and standard deviation of various measurement items. This section focuses on seven dimensions related to investors' inclination towards socially responsible investment when making investment decisions. These dimensions include company values, moral intensity, return, attitude, perceived money availability, perceived effectiveness, and willingness to invest. Respondents used a 5-point Likert scale to convey their thoughts, with possibilities spanning from "Strongly Agree" to "Strongly Disagree." The mean score for company values was found to be the highest among the dimensions analyzed.

In Table 4.5, the standard deviation and mean of each variable associated with the inclination towards socially responsible investment are presented. This statistical summary offers insights into the central tendency and variability of each variable, providing a comprehensive understanding of investors' attitudes and preferences regarding socially responsible investment. By examining the mean values, researchers can discern the average level of inclination towards socially responsible investment among the study participants. Furthermore, the standard deviation gauges the levels of variability by measuring the dispersion of points of data around the mean or consistency in investors' inclinations. Together, these statistics contribute to a more detailed analysis of investors' attitudes towards socially responsible investment and help researchers draw meaningful conclusions from the data.

Table 4.5 Descriptive statistics of investors inclination towards socially responsible investment

CONSTRUCT	N	MEAN	S.D
COMPANY VALUES			
1. I consider company's commitment to diversity (Cultural and religion inclusion, Teamwork, Equality)	**398**	3.97	1.008
2. I consider company's commitment to its stakeholders (Growth & Performance)	**398**	3.97	1.016
3. I consider company's commitment to honesty (Transparency, Accountability and Governance, Work Ethics)	**398**	4.13	.999
4. I consider company's commitment to social responsibility (Global perspective, Unity, Sustainability)	**398**	3.98	.988
5. I consider company's commitment to employees (Employees Development, Health & wellness, Recognition)	**398**	4.01	.968
6. I consider company's commitment to Entrepreneurship (Innovation, Leadership, Agility or swiftness)	**398**	4.09	.918
7. I consider company's commitment to customer relationships (Service, Quality, Relationship)	**398**	4.08	.993
MORAL INTENSITY			
1. If I had to select between two businesses to invest in, I would go with the one whose goods are least damaging to the environment and other people.	**398**	3.78	1.132
2. I believe buying social responsible investment unquestionably boosts the success of socially responsible companies.	**398**	3.54	1.145
3. If I do not engage in socially responsible investments, then sustainability and environment of future generations will be at risk.	**398**	3.45	1.167
4. I have no doubt that neglecting socially conscious investing will have a detrimental effect on matters pertaining to the governance, society, and environment.	**398**	3.56	1.201
5. I believe that employers and customers will automatically reap the benefits of ethical investment practices, followed by society as a whole.	**398**	3.61	1.180
ATTITUDE			

1. I believe Investing in Social Responsible stocks is an intelligent choice.	**398**	3.83	1.101
2. Investment in social responsible stock impresses me as being innovative.	**398**	3.79	1.105
3. Investing in socially conscious stocks makes me feel good inside.	**398**	3.81	1.174
4. Company values is important to me when making decision to invest.	**398**	3.88	1.061
5. Between socially responsible investment and conventional form of investment I prefer environment, social/sustainable friendly one.	**398**	3.72	1.160
6. I think that purchasing environmental/social/sustainable friendly investment is favourable	**398**	3.84	1.059
RETURN			
1. I would be willing to receive a lower return for social responsible investment	**398**	3.18	1.144
2. If the return and terms of a socially responsible and traditional financial product were same, then I would like to invest for Socially responsible.	**398**	3.82	1.089
3. Investing in social financial products seems to be able to generate me high return	**398**	3.88	1.104
PERCEIVED EFFECTIVENESS			
1. It is worthwhile for investor to take action against unethical companies by avoiding them through investment.	**398**	3.57	.952
2. When I purchase investments, I make an effort to think how my money may impact the environment and other society members	**398**	3.50	.957
3. If an investor purchases securities offered by socially conscious businesses, that investor's actions will benefit society.	**398**	3.75	1.048
4. I believe as an investor I can contribute to resolving ethical and sustainability issues.	**398**	3.96	1.008
PERCEIVED MONEY AVAILABILITY			
1. I want to invest in socially conscious companies, but due to lack the funds, I am unable to do so.	**398**	3.70	.982
2. I believe I can make any anticipated purchases in social responsible investment.	**398**	3.91	.967

		398		
3. I believe If I have extra money to invest I will definitely invest in companies that uphold social responsibility.		398	3.83	.946
WILLINGNESS TO INVEST				
1. I would like to invest in shares/stock/companies that disregard environmental protection		398	3.23	1.275
2. While investing I exclude the companies with poor corporate governance		398	3.74	1.001
3. While investing I exclude companies that have socially unjust operations		398	3.69	.972
4. I would like to pay extra for socially responsible investment even if the performance were same as the conventional products		398	3.82	1.038
5. I would pay extra for socially responsible products even if it is less promoted.		398	3.75	1.031
6. The probability that I will pay extra to buy socially responsible investment is very high.		398	3.67	.920

Source: Author 's calculation

4.3.1 Frequency distribution and bar diagram representation

Table 4.6 Frequency distribution of company values

Company values				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	140	35.2	35.2	35.2
	Agree	176	44.2	44.2	79.4
	Neutral	68	17.1	17.1	96.5
	Disagree	2	.5	.5	97.0
	Strongly Disagree	12	3.0	3.0	100.0
	Total	398	100.0	100.0	

Source: Author 's calculation

Figure 4.14

Response on the basis of company values
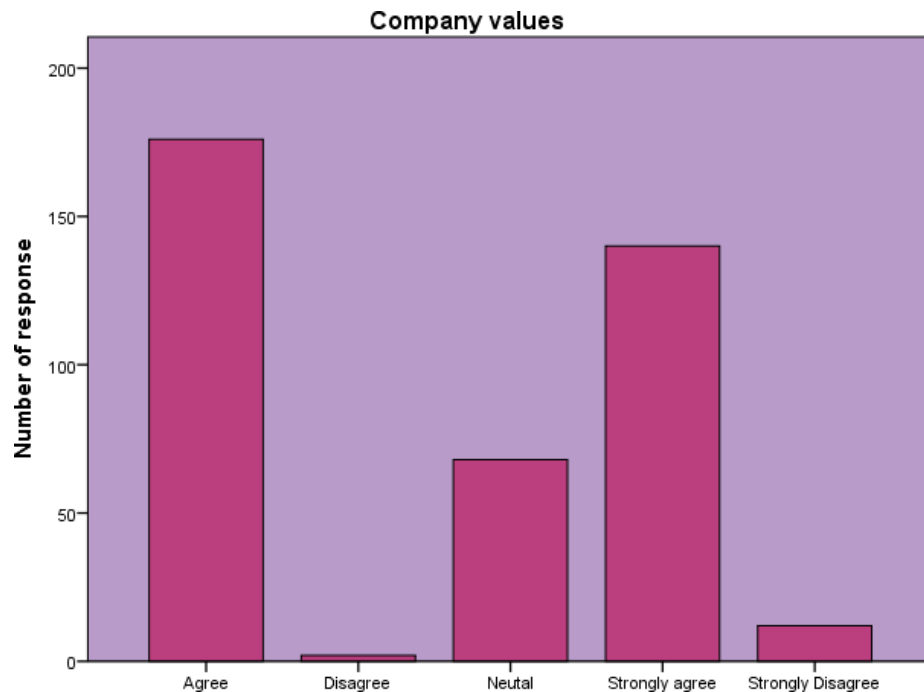
In figure 4.14 it has been seen that investors believe that company values(Cultural and religion inclusion, Teamwork, Equality), (Growth & Performance), (Transparency, Accountability and Governance, Work Ethics), (Global perspective, Unity, Sustainability), (Employees Development, Health & wellness, Recognition), (Innovation, Leadership, Agility or swiftness), (Service, Quality, Relationship) should be most important for any investors to invest and there are only few investors who did not agree which the importance of company values. While 68 respondents are neutral about this concern. There are very few who does not consider company values as their preference for social responsible investment.

Table 4.7 Frequency distribution of moral intensity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	41	10.3	10.3	10.3
	Agree	205	51.5	51.5	61.8
	Neutral	98	24.6	24.6	86.4
	Disagree	31	7.8	7.8	94.2
	Strongly Disagree	23	5.8	5.8	100.0
	Total	398	100.0	100.0	

Source: Author 's calculations

Figure 4.15

Response on the basis of Moral intensity
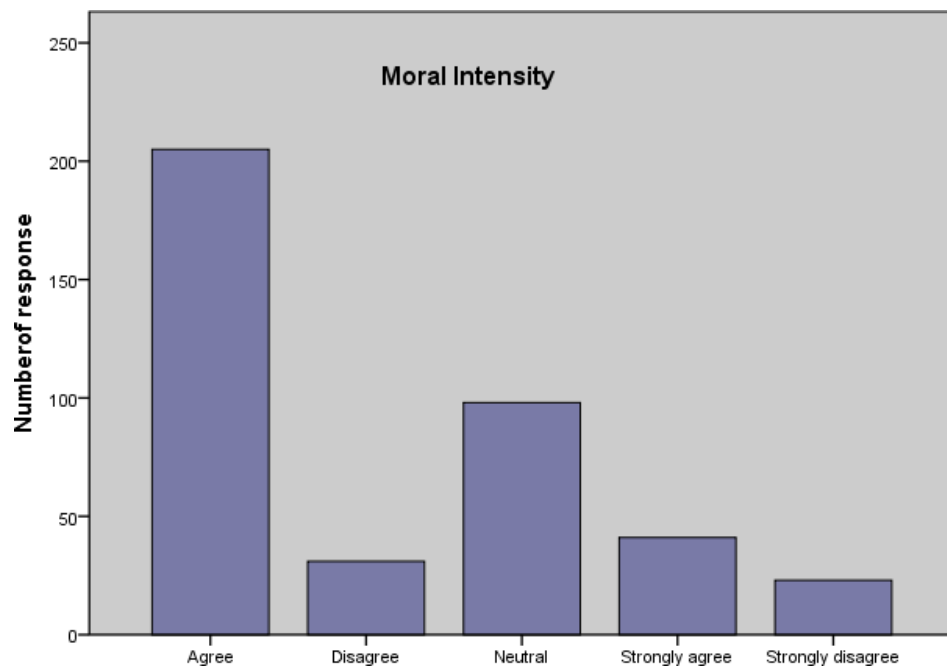
In figure 4.15 When making investment decisions, investors place significant emphasis on moral intensity, meaning they tend to prioritize businesses whose products cause minimal harm to the environment and society. Many believe that supporting socially responsible companies directly contributes to their success and fosters long-term sustainability for future generations. Neglecting socially conscious investments, they feel, could harm not only the environment but

also broader governance and social issues. Ethical investment practices are seen as benefiting employees, customers, and society at large. However, about 98 investors may remain neutral on these concerns.

Table 4.8 Frequency distribution of attitude

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	91	22.9	22.9	22.9
	Agree	209	52.5	52.5	75.4
	Neutral	59	14.8	14.8	90.2
	Disagree	15	3.8	3.8	94.0
	Strongly Disagree	24	6.0	6.0	100.0
	Total	398	100.0	100.0	

Source: Author 's calculations

Figure 4.16

Response on the basis of Attitude
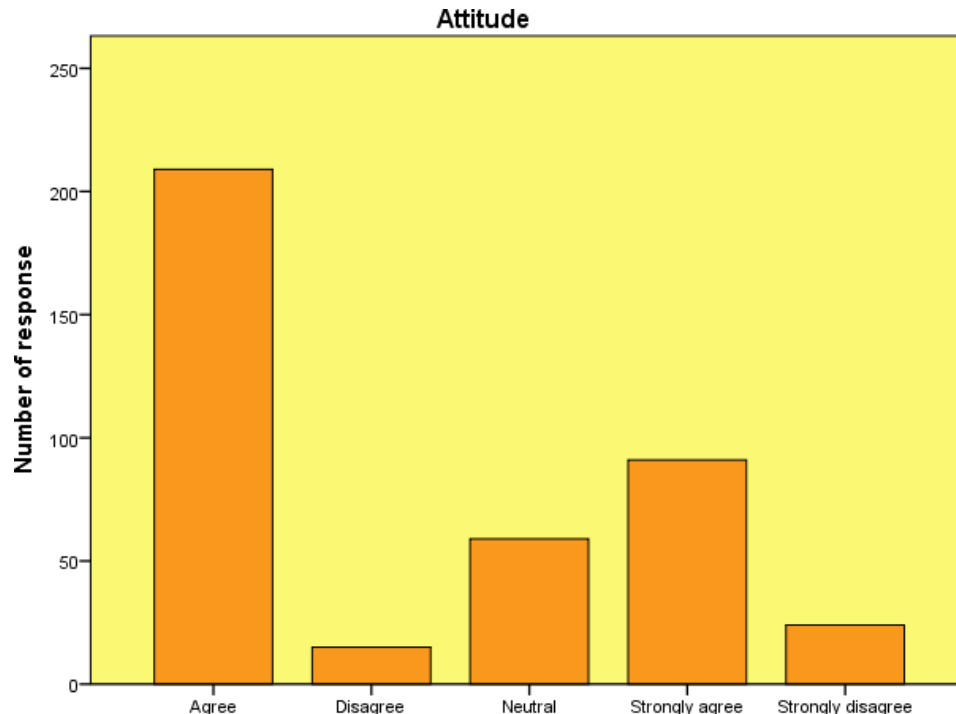
In Figure 4.16, 209 investors generally agree that investing in socially responsible stocks is a wise decision. They view it as an innovative approach and appreciate the positive feeling that comes from aligning their investments with ethical values. Company values are a significant

factor in their investment decisions, with a strong preference for businesses that prioritize environmental, social, and sustainable practices. When choosing between socially responsible and conventional investments, investors tend to favour those that are environmentally and socially conscious. Overall, investors find sustainable investments highly attractive, with some showing even stronger support for socially responsible investing. While 59 respondents remain neutral in their views, the rest do not express a clear stance on socially responsible investment.

Table 4.9 Frequency distribution of return

		Frequency	Percent	Valid Percent	Cumulative Percent
	Return				
Valid	Strongly Agree	66	16.6	16.6	16.6
	Agree	193	48.5	48.5	65.1
	Neutral	106	26.6	26.6	91.7
	Disagree	25	6.3	6.3	98.0
	Strongly Disagree	8	2.0	2.0	100.0
	Total	398	100.0	100.0	

Source: Author 's calculations

Figure 4.17

Response on the basis of Return
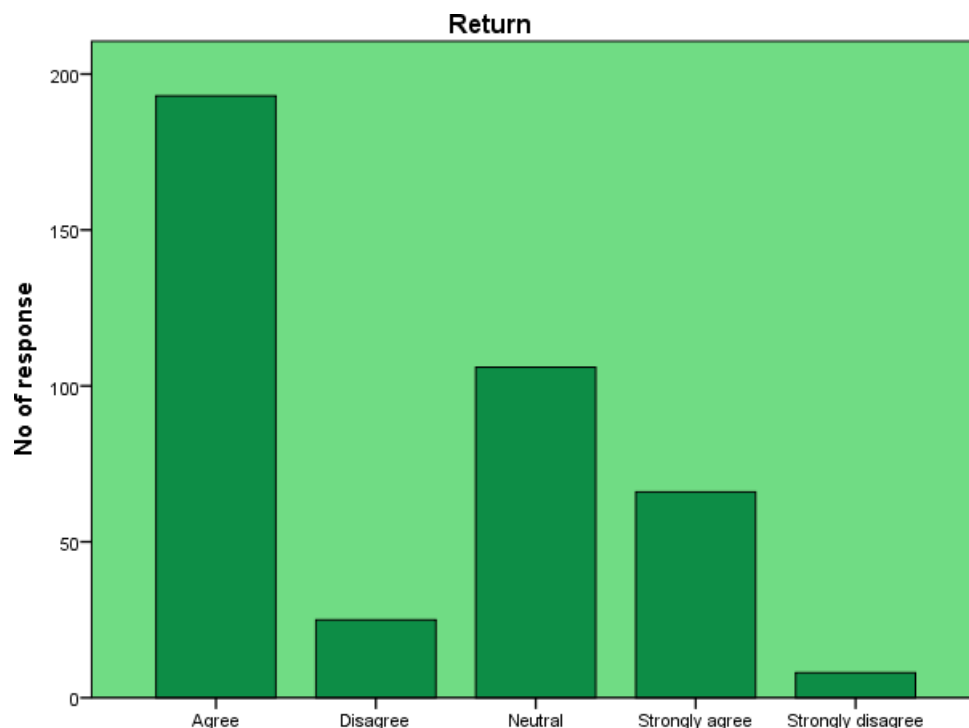
In fig 4.17, 193 Investors are willing to accept lower returns in exchange for socially responsible investments. If the returns and terms of a socially responsible financial product matched those of a traditional option, they would choose the socially responsible investment. Moreover, they believe that such social financial products have the potential to yield high returns. However, about 106 of the respondents remain neutral on these concerns. Others does not think of sacrificing return for social responsible investment.

Table 4. 10 Frequency distribution of perceived effectiveness

Perceived effectiveness				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	52	13.1	13.1	13.1
	Agree	217	54.5	54.5	67.6
	Neutral	96	24.1	24.1	91.7
	Disagree	22	5.5	5.5	97.2
	Strongly Disagree	11	2.8	2.8	100.0
	Total	398	100.0	100.0	

Source: Author 's calculations

Figure 4.18

Response on the basis of Perceived effectiveness

Perceived effectiveness
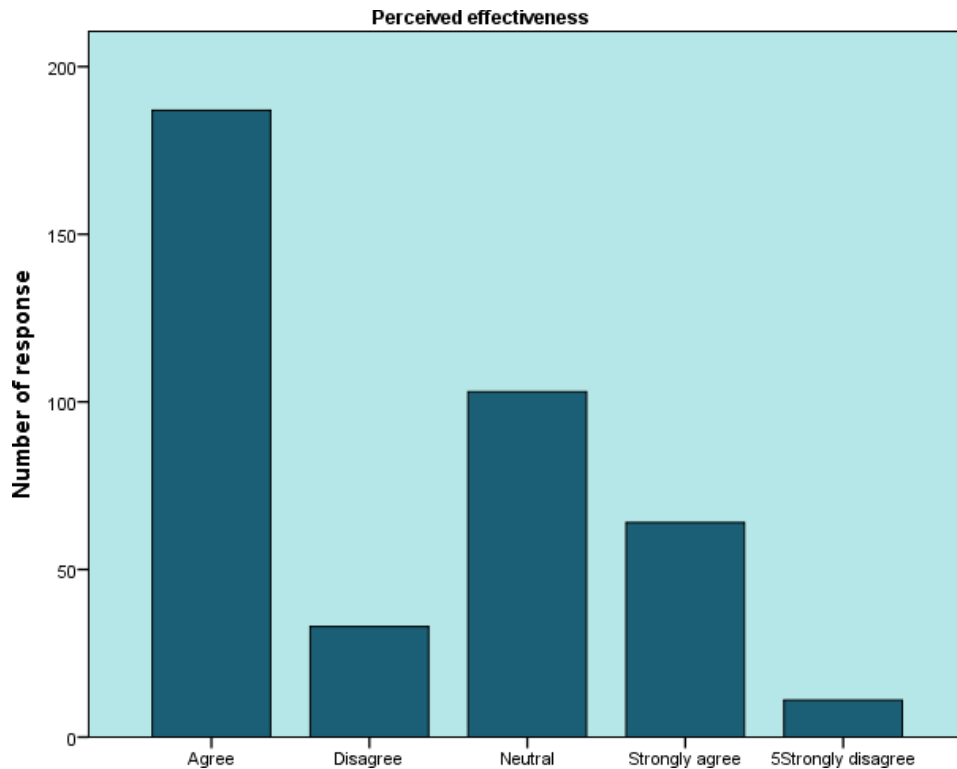
In fig 4.18, 217 investors, believe it is important to avoid investing in unethical companies, considering how their investment decisions impact the environment and society. They feel that investing in socially responsible businesses allows them to benefit society and address ethical and sustainability issues. However, 96 investors remain neutral on the matter, while another 33, who disagree or strongly disagree, do not commit to the perceived effectiveness of socially responsible investments.

Table 4. 11 Frequency distribution of perceived money availability

		Frequency	Percent	Valid Percent	Cumulative Percent
	Perceived money availability				
Valid	Strongly Agree	64	16.1	16.1	16.1
	Agree	187	47.0	47.0	63.1
	Neutral	103	25.9	25.9	88.9
	Disagree	33	8.3	8.3	97.2
	Strongly Disagree	11	2.8	2.8	100.0
	Total	398	100.0	100.0	

Source: Author 's calculations

Figure 4.19

Response on the basis of Perceived money availability

Perceived money availability
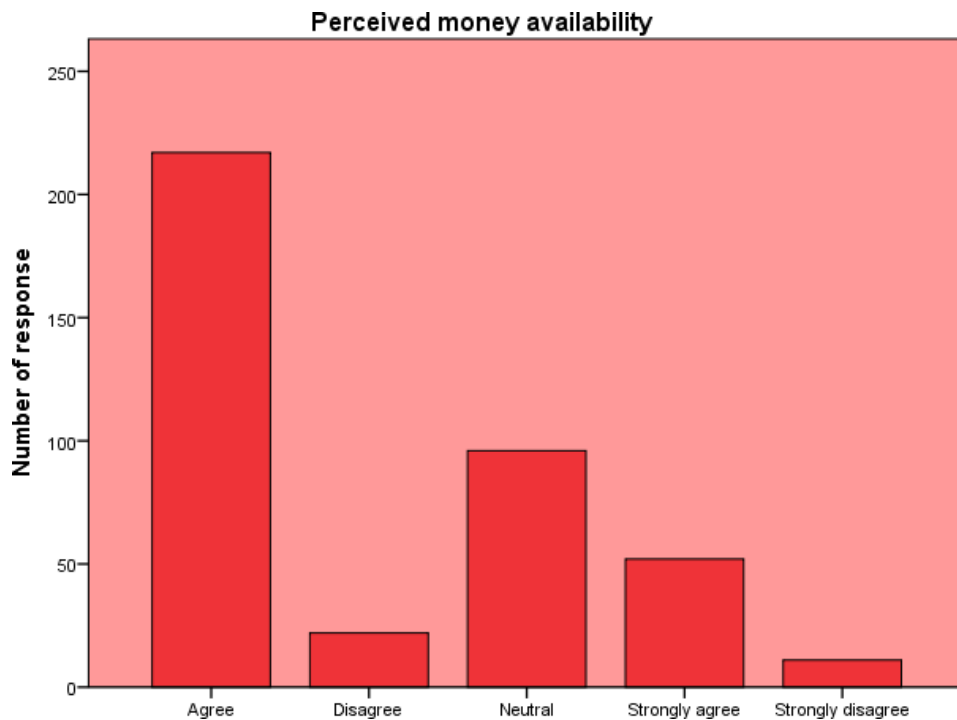
In Figure 4.19, 187 investors express a strong interest in investing in socially conscious companies, but their current financial situations hinder their ability to do so. They believe that, if they had extra funds, they would prioritize investments in firms that show a genuine commitment to social responsibility. These investors see the potential for impactful investments that resonate with their values and remain optimistic about future opportunities to support socially responsible ventures. Meanwhile, 103 investors are neutral regarding their willingness to invest in socially responsible firms, while 33 disagree and 11 strongly disagree about their readiness to spend if they had the financial means.

Table 4. 12 Frequency distribution of willingness to invest

		Frequency	Percent	Valid Percent	Cumulative Percent
	Willingness to invest				
Valid	Strongly Agree	39	9.8	9.8	9.8
	Agree	111	27.9	27.9	37.7
	Neutral	160	40.2	40.2	77.9
	Disagree	73	18.3	18.3	96.2
	Strongly Disagree	15	3.8	3.8	100.0

	Total	398	100.0	100.0	

Source: Author 's calculations

Figure 4.20

Response on the basis of willingness to invest
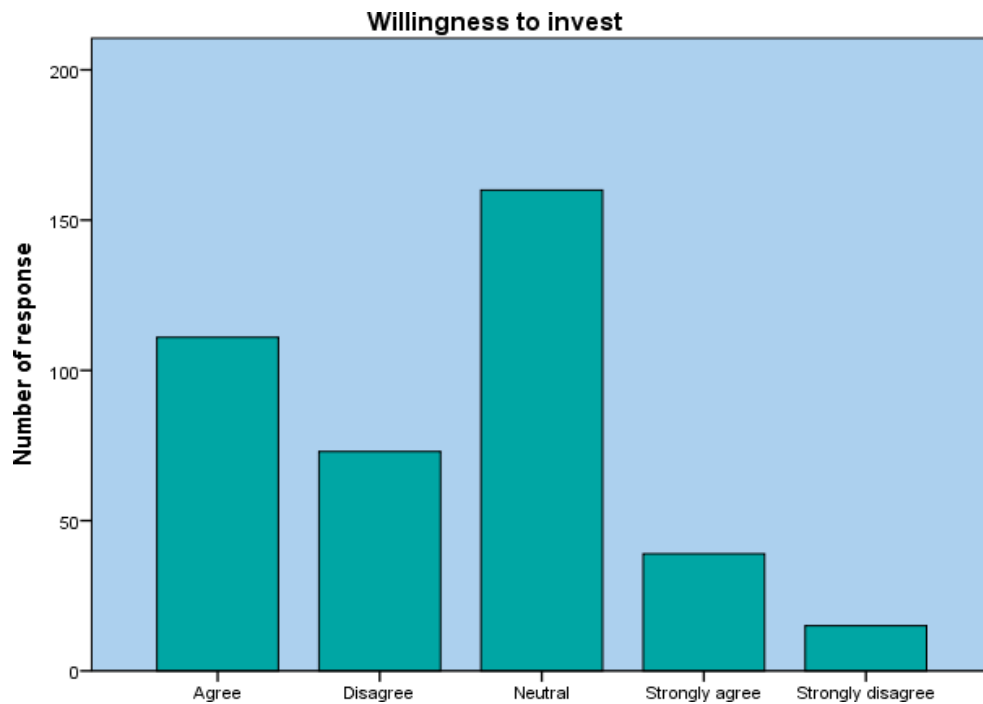
In fig 4.20, 160 investors remain neutral, while about 111 express agreement regarding their commitment to investing in shares and companies that prioritize environmental protection, intentionally excluding those with poor corporate governance and socially unjust practices. These investors recognize the importance of supporting socially responsible investments and are willing to pay a premium for them, even when their performance is on par with conventional products. Additionally, they are open to spending extra on socially responsible products, regardless of their promotional visibility. The likelihood of choosing to invest in these responsible options is notably high, highlighting their commitment to ethical investing. Conversely, 73 investors disagree, and 15 strongly disagree with the idea of investing in socially responsible ventures.

4.3.2 Sample adequacy

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) evaluates whether the data is suitable for factor analysis by examining correlations among variables, aiming to identify

potential multicollinearity issues. It indicates the extent to which variables are highly correlated and potentially indistinguishable from each other. In this study, both the KMO measure and Bartlett's test were used to assess data validity. The KMO value obtained was 0.862, indicating a solid level of validity. Generally, KMO values above 0.5 are considered acceptable, while values above 0.5 and below 0.7 are considered mediocre, values between 0.7 and 0.8 are deemed good, between 0.8 and 0.9 are great, and above 0.9 are superb, higher values indicating better suitability for factor analysis. In this case, the obtained value suggests that the dataset is suitable for further analysis. Bartlett's Test of Sphericity evaluates whether there is a significant relationship among the variables, which is essential for proceeding with factor analysis. A p-value less than .05 suggests that there is a meaningful relationship between the variables, justifying further analysis. In this study, the obtained p-value was less than .001, indicating significant relationships among the variables and supporting the continuation of factor analysis.

Table 4.13 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.862
Bartlett's Test of Sphericity	Approx. Chi-Square	14539.041
	df	561
	Sig.	.000

Source: Author 's calculations

4.3.3 Reliability results

The table (4.7) illustrates that all thirty-six items assessing the inclination towards socially responsible investment demonstrate high reliability, with a Cronbach's alpha coefficient of 0.952, which is higher than the permitted limits. This indicates robust internal consistency reliability, with consistent coefficient alpha values across all constructs. These results affirm that the scales employed in the study are dependable, as they consistently measure factors associated with the inclination towards socially responsible investment, validating their use for subsequent analysis. Cronbach's Alpha is a commonly used indicator of reliability and internal consistency in research. A higher alpha value signifies greater reliability, with a maximum value of 1. Typically, a minimum alpha 0.7 is regarded as an acceptable score for questionnaire uniformity. and reliability. Table 4.14 suggests a Cronbach's Alpha value of 0.952, indicating moderate reliability for the questionnaire utilized in the study.

Table 4.14 Cronbach alpha of investors inclination towards social responsible investment

Cronbach's Alpha	N of Items
.952	36

Source: Author 's calculations

OBJECTIVE 3: TO STUDY THE RELATIONSHIP BETWEEN TRADING BEHAVIOR OF INVESTOR AND THEIR INCLINATION TOWARDS SOCIAL RESPONSIBLE INVESTMENT.

To test this objective, the researcher has taken into consideration trading behaviour such as, investment experience, investment frequency, risk appetite, type of investor, approaches of investment, magnitude of investment.

In this objective , Canonical correlation is employed to assess the strength of the relationship between the trading behaviour and socially responsible investment (SRI) variables. The eigenvalue represents the amount of variance shared between the two sets of variables, with larger eigenvalues indicating a stronger relationship. To determine the significance of these correlations, Wilks' Lambda is used as a statistical test; a lower Wilks' Lambda suggests a stronger relationship between the variable sets. Additionally, the F-statistic is calculated to test the null hypothesis that the correlation, along with any subsequent correlations, is zero. A significant F-statistic indicates that the null hypothesis can be rejected, signifying a meaningful relationship between the two sets of variables.

The Hypothesis used for the above objective and its explanation are as follows:

1. INVESTMENT EXPERIENCE

Relation between investment experience and inclination towards socially responsible

investment.

H1$_0$: There is no significant relation between investment experience and inclination towards social responsible investment.

H1$_1$: There is significant relation between investment experience and inclination towards social responsible investment.

Table 4.15 Correlation between investment experience and inclination towards Social Responsible Investment

			Wilks			**Denom**	
	Correlation	**Eigenvalue**	**Statistic**	**F**	**Num D.F**	**D.F.**	**Sig.**
1	.442	.242	.805	13.506	7.000	390.000	<.001

Source: Author 's calculations

The data in Table 4.15 illustrates the Correlations analysis, focusing on the relationship between the **independent variable** (investment experience) and the **dependent variables** (inclination toward socially responsible investment)

- A correlation of 0.442 suggests a moderate positive relationship between the two sets of variables. This means that as investment experience changes, there is a moderate inclination towards SRI variables.

- An eigenvalue of 0.242 indicates that around 24.2% of the variance in the linear combination of variables is explained by this function, which further confirms the moderate strength of the relationship.

- A Wilks' Lambda of 0.805 means that there is some variance unexplained by the correlation, but it is still low enough to indicate a non-random relationship between the two variable sets. The significance (Sig. < 0.001) shows that the correlation is statistically significant, meaning the relationship is unlikely due to chance.

- A value of 13.506 indicates that the relationship between investment experience and the SRI variables is statistically significant, and the correlation is meaningful.

- The significance value of less than 0.001 means that there is a very strong likelihood

that the correlation is not due to random variation. Hence, we reject the null hypothesis (that there is no relationship) and conclude that investment experience is significantly related to the set of socially responsible investment variables.

Interpretation:

There is a **moderate, statistically significant relationship** between **investment experience** and the set of **social responsible investment variables**. This suggests that as individuals gain more investment experience, there are notable inclination of their approach towards socially responsible investments. The results are also consistent with previous research findings **E.O. Vostrikova & A.P. Meshkova (2020), Rizka et.al. (2020).**

2. INVESTMENT FREQUENCY

Relation between investment frequency and inclination towards social responsible investment.

H2$_o$:   There is no significant relation between investment frequency and inclination towards social responsible investment.

H2$_1$:   There is significant relation between investment frequency and inclination towards social responsible investment.

Table 4.16 Corelation between investment frequency and inclination towards social responsible investment.

Correlations							
	Correlation	**Eigenvalue**	**Wilks Statistic**	**F**	**Num D.F**	**Denom D.F.**	**Sig.**
1	.171	.030	.971	1.687	7.000	390.000	.111

Source: Author 's calculations

The data in Table 4.16 illustrates the Correlations analysis, focusing on the relationship between the **independent variable** (magnitude of investment) and the **dependent variables** (inclination toward socially responsible investment)

- This value suggests a weak positive relationship between the set of predictor variables (possibly investment frequency) and the criterion variables (inclination towards SRI). A value closer to 1 would indicate a stronger relationship, but here it's weak.
- This value is derived from the correlation and reflects the amount of variance explained in the data by the canonical variate. Since it's quite low, it suggests that the correlation between the two sets of variables doesn't explain much variance.
- Wilks' Lambda tests :A value closer to 0 suggests a stronger relationship, while a value near 1 indicates a weaker relationship. Here, the value of .971 suggests that the relationship between the variables is weak.
- The F statistic is used to test the hypothesis, and the significance (p-value) is .111. Since this value is greater than the common alpha level of .05, the null hypothesis (H0) cannot be rejected. This means there is not enough statistical evidence to suggest a significant relationship between the variables.

Interpretation

The analysis does not provide strong evidence of a statistically significant relationship between investment frequency and inclination towards socially responsible investment. The weak correlation (.171) and non-significant p-value (.111) indicate that the link between these two variables is weak or not meaningful in this dataset.

3. RISK APPETITE

Relation between risk appetite and inclination towards social responsible investment.

H3$_o$: **There is no significant relation between risk appetite and inclination towards social responsible investment.**

H3$_1$: **There is significant relation between risk appetite and inclination towards social responsible investment.**

Table 4.17 Correlation between risk appetite and inclination towards social responsible investment.

Correlations

	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.147	.022	.979	1.222	7.000	390.000	.289

Source: Author 's calculations

The data in Table 4.17 illustrates the Correlations analysis, focusing on the relationship between the **independent variable** (risk appetite) and the **dependent variables** (inclination toward socially responsible investment)

- The correlation coefficient of .147 suggests a weak positive relationship between the two sets of variables, "risk appetite" and "socially responsible investment."

- Here, Eigenvalue of .022 is very low, indicating that this model explains only a small fraction of the variance in the relationship between the two sets of variables.

- A value closer to 0 indicates a stronger relationship, while values closer to 1 suggest a weaker relationship. The value of .979 implies a weak relationship between risk appetite and socially responsible investment.

- The p-value (.289) is much higher than the common alpha level of .05, meaning that there is no statistically significant relationship between risk appetite and socially responsible investment in this analysis. We fail to reject the null hypothesis, which suggests that the correlation between these two variables may effectively be zero.

Interpretation:

There appears to be no statistically significant relationship between the independent variable "risk appetite" and the dependent variable "socially responsible investment." The weak correlation (.147) and the non-significant p-value (.289) indicate that the relationship is weak, or even non-existent.

4. **APPROACHES OF INVESTMENT**

Relation between approaches of investment and inclination towards social responsible investment.

H4$_o$: There is no significant relation between approaches of investment and

inclination towards social responsible investment.

H4₁: There is significant relation between approaches of investment and inclination towards social responsible investment.

Table 4.18 Correlation between approaches of investment and inclination towards social responsible investment.

Correlations							
	Correlation	**Eigenvalue**	**Wilks Statistic**	**F**	**Num D.F**	**Denom D.F.**	**Sig.**
1	.061	.004	.996	.208	7.000	390.000	.984

Source: Author 's calculations

The table 4.18 presents the canonical correlation analysis between different approaches to investment and socially responsible investment (SRI). Here's the breakdown of the results:

- The first canonical correlation is 0.061, which indicates a very weak relationship between the two sets of variables (investment approaches and SRI).
- The eigenvalue of 0.004 further reflects the weak association between the variables, as smaller eigenvalues indicate weaker relationships.
- The Wilks' Lambda statistic is 0.996, suggesting that the model explains very little of the variance between the sets of variables (as values close to 1 imply poor fit).
- The F-value is -0.208 with 7 numerator degrees of freedom and 390 denominator degrees of freedom, indicating that the model is not statistically significant.
- The p-value is 0.984, much larger than the conventional alpha level of 0.05, showing that the canonical correlation is not statistically significant.

Interpretation

The results suggest that there is no significant relationship between the approaches of investment and socially responsible investment behavior. The weak correlation and high p-value indicate that these two sets of variables are not meaningfully associated in this analysis. The results contradict with the findings of **Raut et al. (2020); Godin and Kok (1996); Palacios & Chamorro-Mera (2019**).

5. TYPE OF INVESTOR

Relation between magnitude of investment and inclination towards social responsible investment

H5$_0$: **There is no significant relation between magnitude of investment and inclination towards social responsible investment**

H5$_1$: **There is significant relation between type of investor and inclination towards social responsible investment.**

Table 4.19 Correlation between type of investor and inclination towards social responsible investment.

			Correlations				
	Correlation	**Eigenvalue**	**Wilks Statistic**	**F**	**Num D.F**	**Denom D.F.**	**Sig.**
1	.124	.016	.985	.871	7.000	390.000	.530

Source: Author 's calculations

The data in Table 4.19 illustrates the Correlations analysis, focusing on the relationship between the **independent variable** (type of investor) and the **dependent variables** (inclination toward socially responsible investment)

- A correlation of 0.124 indicates a low correlation, suggesting a weak relationship between the type of investors and inclination towards socially responsible investment.
- Eigenvalue of 0.016 is a very low value, indicating that only a small proportion of the variance in the data is explained by this correlation.
- Wilks' Lambda is 0.985 which is close to 1, indicating that the model is not significantly explaining the variance between the variables.
- The F-value of 0.871 is low, suggesting that the overall model fit is weak.
- p-value of 0.530 is not statistically significant ($p > 0.05$), indicating that the relationship between the type of investors and inclination towards socially responsible investment is not significant.

Interpretation

The results suggest that type of investors does not significantly influence an individual's inclination towards socially responsible investment based on this dataset.

6. MAGNITUDE OF INVESTMENT

Relation between magnitude of investment and inclination towards social responsible investment

H6$_0$: **There is no significant relation between magnitude of investment and inclination towards social responsible investment.**

H6$_1$: **There is significant relation between magnitude of investment and inclination towards social responsible investment.**

Table 4.20 Correlation between magnitude of investment and inclination towards social responsible investment.

			Correlations				
	Correlation	**Eigenvalue**	**Wilks Statistic**	**F**	**Num D.F**	**Denom D.F.**	**Sig.**
1	.147	.022	.978	1.235	7.000	390.000	.282

Source: Author 's calculations

The data in Table 4.20 illustrates the Correlations analysis, focusing on the relationship between the **independent variable** (magnitude of investment) and the **dependent variables** (inclination toward socially responsible investment)

- Correlation of 0.147 indicates a weak positive relationship between the magnitude of investment and inclination towards socially responsible investment. However, the correlation is still low, implying that the magnitude of investment does not strongly influence an individual's inclination toward socially responsible investment.
- Eigenvalue of 0.022 is a low eigenvalue suggests that this function explains very little of the variance between the independent and dependent variables
- Wilks' Lambda of 0.978 is close to 1, meaning the variance explained by the model is minimal. A higher Wilks' Lambda value suggests a poor fit for the model in explaining

the relationship between the variables.

- F-value is 1.235 relatively low, further indicating that the relationship between magnitude of investment and inclination towards socially responsible investment is weak.

- p-value **is** 0.282 above the standard significance threshold of 0.05. Since the p-value is not statistically significant, the results indicate that there is no significant relationship between the magnitude of investment and an individual's inclination towards socially responsible investment.

Interpretation:

The non-significant p-value (0.282) suggests that the relationship is not statistically significant. This means that the magnitude of investment does not significantly influence how inclined an individual is towards socially responsible investment based on the data.

7. PERSONAL VALUES

The analysis of personal values involves examining individuals' core beliefs, priorities, and principles that guide their attitudes and behaviors. This analysis aims to understand how personal values influence various aspects of decision-making, including financial choices, social interactions, and ethical considerations. By exploring personal values, researchers can gain insights into individuals' motivations, preferences, and reactions to different situations.

In the context of the research study, personal values analysis may involve assessing respondents' responses to questions related to their values such as materialism, collectivism, and religiosity. Researchers may use Likert scale methodology to measure the strength of these values and analyze how they correlate with other variables such as inclination towards socially responsible investment.

Overall, personal values analysis provides valuable insights into individuals' psychological makeup and helps researchers understand how these values shape decision-making processes in various contexts.

MATERALISM

Materalism and inclination towards social responsible investment

H7₀: **There is no significant correlation between materialism and inclination towards social responsible investment.**

H7₁: **There is significant correlation between materialism and inclination towards social responsible investment.**

Table 4.21 Correlation between materialism and inclination towards social responsible investment

			Correlations				
	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.216	.049	.953	2.736	7.000	390.000	.009

Source: Author 's calculations

- Correlation: The canonical correlation of 0.216 indicates a low to moderate positive relationship between the two sets of variables. This suggests that as one set of variables increases, the other set tends to increase as well, albeit not strongly.

- Eigenvalue: An eigenvalue of 0.049 reflects the variance explained by this canonical correlation. Low eigenvalues indicate that the canonical variate captures less variance from the original variable sets.

- Wilks' Statistic: The Wilks' Lambda value of 0.953 indicates the ratio of the error variance to the total variance. A value closer to 1 suggests that the independent variables do not explain a significant amount of variance in the dependent variables. Here, 0.953 suggests that the groups are somewhat similar, but the next point is crucial.

- F-Statistic: The F-value of 2.736 tests the hypothesis that the canonical correlations are zero. This statistic is used to determine the significance of the model.

- Significance (Sig.): The p-value of 0.009 indicates that the results are statistically significant ($p < 0.05$). This means we can reject the null hypothesis (H0) that the correlations in the current and following rows are zero, implying that there is a significant relationship between materialism and SRI.

Interpretation:

The analysis reveals a significant relationship between materialism and SRI, suggesting that

while materialism and SRI are linked, the relationship is not very strong. Materialistic individuals may still engage in SRI, potentially driven by financial motivations or reputational concerns, rather than a genuine commitment to social or environmental responsibility. This weak association indicates that other factors—such as personal values, ethical orientation, or market trends—may also play significant roles in determining SRI engagement. The result are similar to the findings of **Dittmar et al. (2014)**

COLLECTIVISM

Collectivism with inclination towards social responsible investment

H8$_o$: **There is no significant correlation between collectivism and inclination towards social responsible investment.**

H8$_1$: **There is significant correlation between collectivism and inclination towards social responsible investment.**

Table 4.22 Correlation of collectivism with inclination towards social responsible investment

Correlations							
	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.126	.016	.984	.902	7.000	390.000	.505

Source: Author 's calculations

- Correlation: The canonical correlation of 0.126 indicates a weak positive relationship between collectivism and SRI. This suggests that there is a minimal tendency for changes in collectivism to correspond with changes in SRI.

- Eigenvalue: An eigenvalue of 0.016 indicates that the variance explained by this canonical correlation is very low. This means that the canonical variate derived from this relationship captures only a small amount of variance from the original variable sets.

- Wilks' Statistic: The Wilks' Lambda value of 0.984 indicates that the error variance is close to the total variance. This suggests that the independent variable (collectivism) does not explain a significant amount of variance in the dependent variable (SRI).

- F-Statistic: The F-value of 0.902 tests the null hypothesis that the canonical correlations are zero.

- Significance (Sig.): The p-value of 0.505 indicates that the results are not statistically significant ($p > 0.05$). This means we fail to reject the null hypothesis (H0) that the correlations in the current and following rows are zero.

Interpretation:

The weak correlation of 0.126 suggests that there is little to no meaningful relationship between collectivism and SRI in the analyzed dataset. The low eigenvalue further indicates that the variance explained by this relationship is minimal. The results contradicts the findings of **Seo (2010), Lukwago et al. (2001)**

RELIGIOSITY

Religiosity with inclination towards social responsible investment

H9$_o$: **There is no significant relation between religiosity and inclination towards social responsible investment.**

H9$_1$: **There is significant relation between religiosity and inclination towards social responsible investment.**

Table 4.23 Correlation of religiosity with inclination towards social responsible investment

Canonical Correlations							
	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.129	.017	.983	.941	7.000	390.000	.474

Source: Author 's calculations

- Correlation: The canonical correlation of 0.129 indicates a very weak positive relationship between religiosity and SRI. This suggests that there is a slight tendency for higher levels of religiosity to be associated with higher levels of SRI, but the relationship is quite weak.

- Eigenvalue: The eigenvalue of 0.017 indicates that the variance explained by this

canonical correlation is very low. This suggests that the canonical variate derived from the relationship captures only a small amount of variance from the original variable sets.

- Wilks' Statistic: The Wilks' Lambda value of 0.983 indicates that the error variance is quite close to the total variance. This suggests that religiosity does not explain a significant amount of variance in the dependent variable (SRI).

- F-Statistic: The F-value of 0.941 tests the null hypothesis that the canonical correlations are zero. A low F-value, combined with a high p-value, indicates a lack of evidence against the null hypothesis.

- Significance (Sig.): The p-value of 0.474 indicates that the results are not statistically significant ($p > 0.05$). This means we fail to reject the null hypothesis (H0) that the correlations in the current and following rows are zero.

Interpretation:

The analysis indicates that there is no significant relationship between religiosity and social responsible investment based on the provided correlation results. The weak correlation and high Wilks' Lambda value suggest that religiosity does not meaningfully influence SRI behaviors in the dataset analyzed. The study of **Mehta et al. (2021) El Ghoul et. al. (2011), Hong et al. (2012)** contradicts my results.

8. INVESTMENT CHOICE

Relation between investment choice and inclination toward social responsible investment

H10o: There is no significant relation between investment choice and inclination toward social responsible investment

H10$_1$: There is significant relation between investment choice and inclination toward social responsible investment

Table 4.24 Correlation of investment choice and inclination towards socially responsible investment.

Correlations

	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
Stock	.204	.043	.916	1.228	28.000	1396.771	.192
Funds	.175	.032	.956	.983	18.000	1097.915	.477
Debt	.107	.012	.986	.548	10.000	778.000	.856
Hybrid	.051	.003	.997	.253	4.000	390.000	.908

In table 4.24, provides results exploring the relationship between **investment choice** (stock, funds, debt, hybrid) as an independent variable and inclination towards **socially responsible investment (SRI)** as a dependent variable.

1. Stock:

- Correlation (.204): A low positive correlation between stock investment and inclination towards SRI.
- Eigenvalue (.043): A small eigenvalue indicates that stock investments explain only a small portion of the variance in SRI.
- Wilks Statistic (.916): Indicates that about 91.6% of the variance remains unexplained.
- F (1.228), p-value (.192): The relationship is not statistically significant ($p > 0.05$), suggesting that stock investments do not significantly predict inclination towards SRI.

2. Funds:

- Correlation (.175): Even lower positive correlation between fund investments and SRI.
- Eigenvalue (.032): Similarly small eigenvalue, showing a minor contribution of fund investments to explaining SRI.
- Wilks Statistic (.956): About 95.6% of the variance remains unexplained.
- F (.983), p-value (.477): The relationship is not statistically significant.

3. Debt:

- Correlation (.107): Very low positive correlation between debt investments and SRI.
- Eigenvalue (.012): Indicates that debt investments explain a negligible amount of the variance in SRI.
- Wilks Statistic (.986): About 98.6% of the variance is not explained by debt investments.

- F (.548), p-value (.856): The relationship is not statistically significant.

4. Hybrid:

- Correlation (.051): Very low positive correlation between hybrid investments and SRI.
- Eigenvalue (.003): The smallest eigenvalue, indicating that hybrid investments explain almost none of the variance in SRI.
- Wilks Statistic (.997): About 99.7% of the variance remains unexplained.
- F (.253), p-value (.908): The relationship is not statistically significant.

Interpretation

None of the four investment types (stock, funds, debt, hybrid) show a strong or statistically significant relationship with the inclination towards socially responsible investments. All the correlations are low, the eigenvalues are small, and the p-values are much greater than 0.05, indicating that these investment choices do not strongly predict SRI inclination in this model.

OBJECTIVE 4: TO STUDY THE RELATIONSHIP BETWEEN DEMOGRAPHIC CHARACTERSTICS OF INVESTORS AND INCLINATION OF INVESTORS TOWARDS SOCIAL RESPONSIBLE INVESTMENT.

In this study, the analysis focused on examining the significance of various factors, including, gender, age, occupation, qualification, marital status, and monthly income, along with their interactions, on the investors' inclination towards Socially Responsible Investment (SRI) avenues. These factors were considered as independent variables, while the importance attributed by investors to seven factors related to SRI served as the dependent variables. The goal of the study was to identify these elements' primary effects and their interactions on the dependent variables. The hypothesis used to evaluate the present objective is as follows:

1. **Gender**

Relation between gender and inclination of individual investors toward social responsible investment

H11o: There is no significant relation between gender and inclination of individual investors toward social responsible investment

H11$_1$: There is significant relation between gender and inclination of individual investors toward social responsible investment

Table 4.25 Correlation of gender and inclination of individual investors toward social responsible investment

	Correlations						
	Correlation	**Eigenvalue**	**Wilks Statistic**	**F**	**Num D.F**	**Denom D.F.**	**Sig.**
1	.190	.038	.964	2.092	7.000	390.000	.043

Source: Author 's calculations

The table 4.25 provides results exploring the relationship between **gender** as an independent variable and inclination towards **social responsible investment (SRI)** as a dependent variable.

- Correlation (.190) indicates a weak positive relationship between gender and inclination towards SRI. A correlation of 0.190 is relatively low, meaning gender is not strongly correlated with SRI inclination.

- Eigenvalue (.038)**:** This suggests that the variance in SRI explained by the variable (gender) is very small. Eigenvalues indicate how much variance is explained by each function, and a small value (like 0.038) implies that gender accounts for a minor portion of the variance in SRI.

- Wilks Statistic value of 0.964 indicates that about 96.4% of the variance in the dependent variable (SRI) remains unexplained by the independent variable (gender).

- The F-statistic (2.092) tests the overall significance of the model. Here, the p-value of 0.043 is below the 0.05 threshold, suggesting that the relationship between gender and SRI is statistically significant at the 5% level. While the relationship is weak, it is not purely by chance.

Interpretation:

There is a statistically significant relationship between gender and inclination towards socially responsible investment (SRI). Although the correlation is low, meaning gender does not explain much of the variation in SRI, the p-value of 0.043 suggests that the relationship is still statistically significant. Thus, while gender may not be a strong predictor, there is evidence of some association between these variables in this dataset. The findings are similar to thes tudy of **Dorfleitner and Nguyen (2018),** but contradict the study of **Jonwall, R., Gupta, S., & Pahuja, S. (2023).**

2. Occupation

Relation between occupation and inclination of individual investors toward social responsible investment

H12o: There is no significant relation between occupation and inclination of individual investors toward social responsible investment

H12$_1$: There is significant relation between occupation and inclination of individual investors toward social responsible investment

Table 4.26 Correlation between occupation and inclination towards social responsible investment

Correlations							
	Correlation n	**Eigenvalue e**	**Wilks Statistic**	**F**	**Num D.F**	**Denom D.F.**	**Sig.**
1	.109	.012	.988	.667	7.000	390.000	.700

Source: Author 's calculations

The table 4.26, provided analyzes the relationship between **occupation** (as the independent variable) and **social responsible investment (SRI)** (as the dependent variable), using Correlation Analysis.

- Correlation (.109) shows a very weak positive correlation between occupation and inclination towards socially responsible investment. A correlation of 0.109 is quite low, indicating that occupation has almost no relationship with SRI inclination.
- The small eigenvalue (.012) indicates that occupation explains a very minimal portion of the variance in SRI. Essentially, this suggests that occupation does not strongly impact an individual's inclination towards SRI.
- A Wilks' Lambda value of 0.988 means that 98.8% of the variance in the dependent variable (SRI) is not explained by occupation. A Wilks' Lambda closer to 1 indicates a weaker relationship, and here it suggests that occupation does not significantly explain the variance in SRI.
- The F-statistic of 0.667 tests the overall significance of the correlation. The p-value of 0.700 is much higher than the typical significance threshold of 0.05, indicating that this relationship is not statistically significant. This means that the observed correlation could easily have occurred by chance.

Interpretation:
There is no significant relationship between occupation and inclination towards socially responsible investment (SRI). The correlation is extremely weak, the eigenvalue is small, and

the high p-value (0.700) suggests that the relationship is not statistically significant. Therefore, occupation does not appear to be a meaningful predictor of SRI inclination in this dataset. The results are similar to findings of **McLachlan and Gardener (2004)**

3. Qualification

Relation between qualification and inclination of individual investors toward social responsible investment

H13o: There is no significant relation between qualification and inclination of individual investors toward social responsible investment

H13$_1$: There is significant relation between qualification and inclination of individual investors toward social responsible investment

Table 4.27 Correlation between qualification and inclination towards socially responsible investment

Correlations							
	Correlation	**Eigenvalue**	**Wilks Statistic**	**F**	**Num D.F**	**Denom D.F.**	**Sig.**
1	.146	.022	.979	1.213	7.000	390.000	.295

Source: Author 's calculations

The table 4.27 provided appears to show the results of a Correlation Analysis assessing the relationship between **qualification** (as the independent variable) and **socially responsible investment (SRI)** (as the dependent variable).

- Correlation (.146) indicates a weak negative correlation between qualification and inclination towards socially responsible investment (SRI). A correlation of -0.146 is low, suggesting that qualification does not have a strong relationship with SRI.

- The small eigenvalue(.022) shows that qualification explains very little of the variance in SRI inclination. An eigenvalue this small reflects that qualification contributes minimally to explaining SRI behavior.

- A Wilks' Lambda value of 0.979 indicates that about 97.9% of the variance in SRI is

not explained by qualification. Wilks' Lambda closer to 1 suggests that the independent variable (qualification) explains only a small portion of the variance in the dependent variable (SRI).

- F (1.213), p-value (.295): The F-statistic tests the significance of the correlation. Here, the p-value is 0.295, which is much higher than the standard significance threshold of 0.05. This implies that the relationship is not statistically significant, meaning that the correlation between qualification and SRI could have occurred by chance.

Interpretation

There is no significant relationship between qualification and inclination towards socially responsible investment (SRI). The low correlation, small eigenvalue, and high p-value indicate that qualifications do not strongly predict an individual's inclination towards SRI in this dataset. This relationship is weak and not statistically significant (p = 0.295), suggesting that qualification is not a meaningful factor in explaining SRI behavior. The results are similar to findings of **McLachlan and Gardener (2004), Jonwall, R., Gupta, S., & Pahuja, S. (2023)**

4. Age

Relation between age and inclination of individual investors toward social responsible investment

H14o: There is no significant relation between age and inclination of individual investors toward social responsible investment

H14$_1$: There is significant relation between age and inclination of individual investors toward social responsible investment

Table 4.28 Correlation between age and inclination towards social responsible investment

Correlations							
	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.224	.053	.950	2.937	7.000	390.000	.005

Source: Author 's calculations

The table 4.28 represents the Correlation Analysis between **age** (as the independent variable)

and **social responsible investment (SRI)** (as the dependent variable). Here's an interpretation of the results:

- The correlation value of 0.224 indicates a weak to moderate positive relationship between age and inclination towards socially responsible investment (SRI). While the correlation is not very strong, it does show that age has a noticeable relationship with SRI inclination.
- The eigenvalue of 0.053 suggests that age explains a small portion of the variance in SRI inclination. Although not large, it indicates that age does contribute somewhat to explaining variation in SRI behavior.
- Wilks' Lambda value of 0.950 indicates that about 95% of the variance in SRI inclination is not explained by age. However, this also means that 5% of the variance in SRI inclination is explained by age, which is not negligible.
- F-statistic of 2.937 tests the overall significance of the correlation, and the p-value of 0.005 is statistically significant at the 1% level ($p < 0.01$). This indicates that the relationship between age and SRI inclination is statistically significant, meaning there is evidence that age has a real impact on SRI inclination, and this result is not due to random chance.

Interpretation:

There is a statistically significant, though weak to moderate relationship between age and inclination towards socially responsible investment (SRI). The correlation of 0.224 is not strong, but it is meaningful, and the p-value of 0.005 confirms that age significantly influences SRI behavior in this dataset. While age explains only a small part of the variation in SRI inclination, it is a relevant factor. The results are similar to findings of **McLachlan and Gardener (2004), Jonwall, R., Gupta, S., & Pahuja, S. (2023)**

5. Monthly income

Relation between monthly income and inclination of individual investors toward social responsible investment

H15o: There is no significant relation between monthly income and inclination of individual investors toward social responsible investment

H15$_1$: There is significant relation between monthly income and inclination of individual investors toward social responsible investment

Table 4.29 Correlation between monthly income and inclination towards social responsible investment

			Correlations				
	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.255	.069	.935	3.863	7.000	390.000	<.001

Source: Author 's calculations

This table 4.29 represents the results from a Correlation Analysis exploring the relationship between **monthly income** (as the independent variable) and **social responsible investment (SRI)** (as the dependent variable). Below is the interpretation:

- The correlation of 0.255 indicates **a moderate positive relationship** between monthly income and inclination towards socially responsible investment (SRI). While not strong, the correlation suggests that higher monthly income may be associated with a greater inclination toward SRI.

- The eigenvalue of 0.069 indicates that monthly income explains a small proportion of the variance in SRI behavior. While the influence is limited, it is present and noticeable.

- The Wilks' Lambda of 0.935 indicates that 93.5% of the variance in SRI inclination is not explained by monthly income, meaning only about 6.5% of the variance in SRI inclination is attributed to differences in income.

- The F-statistic of 3.863 tests the overall significance of the correlation. With a p-value of less than 0.001, this relationship is highly statistically significant, indicating that monthly income has a real impact on SRI inclination, and this finding is very unlikely to be due to random chance.

Interpretation

There is a moderate and statistically significant relationship between monthly income and inclination towards socially responsible investment (SRI). The correlation of 0.255 suggests

that individuals with higher income are somewhat more likely to be inclined toward SRI. The highly significant p-value (<0.001) strengthens this finding, confirming that monthly income is a meaningful factor influencing SRI behavior in this dataset. However, income only explains a small portion of the overall variance in SRI inclination, indicating that other factors also play important roles. The results are similar to findings of **McLachlan and Gardener (2004), Jonwall, R., Gupta, S., & Pahuja, S. (2023).**

6. Marital status

Relation between marital status and inclination of individual investors toward social responsible investment

H16o: There is no significant relation between marital status and inclination of individual investors toward social responsible investment

H16$_1$: There is significant relation between marital status and inclination of individual investors toward social responsible investment

Table 4.30 Correlation between marital status and inclination towards social responsible investment

	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.113	.013	.987	.725	7.000	390.000	.651

Source: Author 's calculations

This table 4.30 represents the results from a Correlation Analysis exploring the relationship between **marital status** (as the independent variable) and **social responsible investment (SRI)** (as the dependent variable). Below is the explanation:

- Correlation: The first canonical correlation is 0.113, indicating a weak relationship between marital status and socially responsible investment behavior. A value closer to 1 would suggest a strong relationship, but 0.113 shows a very low association.

- The eigenvalue of 0.013 is very small, meaning that the variance explained by the relationship between marital status and SRI is minimal.

- Wilks' Lambda statistic is 0.987, which is very close to 1, indicating that the model explains very little variance. This implies that marital status is not a strong predictor of SRI behavior.

- The F-statistic is 0.725 with 7 numerator degrees of freedom and 390 denominator degrees of freedom. This value suggests the model does not explain a significant amount of variance between marital status and SRI.

- P-value significance level is 0.651, which is much larger than the conventional threshold of 0.05. This means that the relationship between marital status and SRI is not statistically significant.

Interpretation

The analysis shows no statistically significant relationship between marital status and socially responsible investment. The weak correlation (0.113) and high p-value (0.651) suggest that marital status does not have a meaningful influence on an individual's inclination toward SRI.

CHAPTER 5

FINDINGS, CONCULSION, SUGGESTIONS AND IMPLICATIONS

5.1 INTRODUCTION

As stock markets evolve and technology advances, developing countries like India encounter numerous challenges, including population growth, global warming, and pollution. In response, investors are increasingly called upon to allocate their funds thoughtfully and responsibly to address these pressing issues. Overall, research suggests that individual investors are increasingly considering social and environmental factors in their investment decisions, leading to a growing demand for socially responsible investment options. However, challenges remain in terms of addressing performance concerns, improving information transparency, and overcoming behavioral biases in order to facilitate greater adoption of SRI among individual investors.

While many individual investors express a preference for SRI, there is ongoing debate about the financial performance of socially responsible investments compared to traditional investments. Some studies suggest that SRI can achieve competitive or even superior returns over the long term, while others find mixed results. However, it's noted that individual investors may prioritize non-financial factors, such as ethical considerations, alongside financial returns.

The present study evaluated inclination of individual investors towards Socially resposnible investment while assessing its impact on their subsequent trading behaviour.

5.2 FINDINGS OF THE STUDY

The chapter entails the findings of the study in the following parts:

- **Findings of demographic profile of investors**
- **Findings of trading behvaiour of investors**
- **Findings of investors inclination towards socially responsible investment.**
- **Findings of relationship between trading behavior of investor and their inclination towards socially responsible investment.**
- **Findings of relationship between demographic characteristics of investors and inclination of investors towards social responsible investment.**

5.2.1 Findings of demographic profile of investors

- **Gender Representation**: The study reveals a notable gender disparity in investment participation, with women emerging as the majority of investors. This finding highlights a significant representation of women in financial decision-making and challenges traditional notions of male-dominated investment activities. It underscores the growing involvement of women in financial markets and investment strategies, suggesting a shift towards greater gender inclusivity in the field.

- **Occupation:** Wealthier individuals tend to prefer complex investments, often influenced by their profession. Survey data shows 39% are salaried, 15% self-employed, 37% unemployed (including homemakers and students), and 9% from various other professions.

- **Education**: Educational background plays a crucial role in financial literacy and decision-making. Survey results show 3% of investors have doctoral degrees, 42% are postgraduates, 48% hold undergraduate degrees, and 7% have completed professional courses.

- **Age**: Younger investors focus on investment more than other age group category. The age distribution includes 29% between 25-30 years, 24% aged 31-40, 23% aged 41-50, and 24% under 25 years.

- **Income Distribution**: Income disparities are evident among different demographic groups. Survey results indicate 23% earn over ₹50,000, 17% between ₹20,000-₹25,000, 37% below ₹20,000, 4% between ₹40,000-₹50,000, 8% between ₹30,000-₹40,000, and 11% between ₹40,000-₹50,000.

- **Marital Status**: Marital status influences investment decisions. Married investors (62%) may focus on long-term goals like retirement, while unmarried investors (36%) often prioritize short-term goals. Only 2% are separated.

5.2.2 Findings of trading behaviour of investors

- **Investment Experience**: The study found that 58% of participants have two years of investment experience, 27% have been investing for 2 to 5 years, 9% have between 6

and 10 years of experience, 3% have 11 to 15 years, and another 3% have more than 15 years of experience.

- **Investment Frequency**: Most participants (65%) make occasional investments, while 26% invest monthly, 5% invest weekly, and 4% invest daily.

- **Risk Appetite:** The survey results show that 38% of investors are very conservative in their risk-taking, 26% have a moderate risk appetite, 19% are conservative risk takers, 12% are aggressive, and 5% have a very aggressive risk appetite.

- **Investment Approach**: When making investment decisions, 14% of participants rely on advertisements and media, 28% consult family and friends, 28% use technical and fundamental analysis, while 24% use other methods.

- **Investor Type**: The study classified investors into different types: 30% are long-term investors, 31% are short-term investors, 21% are medium-term investors, and 3% are special situation investors.

- **Magnitude of Investment:** The majority of investors (44%) allocate less than ₹10,000, 15% invest between ₹10,000 and ₹20,000, 14% invest between ₹20,000 and ₹30,000, 3% between ₹30,000 and ₹50,000, 5% between ₹50,000 and ₹1,00,000, and 19% invest more than ₹1,00,000.

- **Investment Preferences:** For stocks, 18.1% of investors consider them the least preferred option, 42.2% prefer them, and 39.7% find them the most preferred. For funds, 29.6% consider them least preferred, 34.2% prefer them, and 36.2% find them most preferred. In terms of debt investments, 63.1% consider them least preferred, 28.9% prefer them, and 8% find them most preferred. Regarding hybrid investments, 38.7% consider them least preferred, 48.2% prefer them, and 13.1% find them most preferred.

- **Personal Values:** The study identified three personal values—Materialism, Collectivism, and Religiosity—measured using a Likert scale. The reliability of these values, assessed using Cronbach's alpha, ranged from 0.6 to 0.9, indicating strong consistency in the data.

5.2.3   Findings of investors inclination towards socially responsible investment.

- In this study, both the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test were utilized to evaluate the validity of the data. The KMO value obtained was 0.862,

indicating a strong level of validity. In this case, the obtained value suggests that the dataset is appropriate for further analysis. Bartlett's Test of Sphericity assesses whether there is a significant relationship among the variables, which is crucial for proceeding with factor analysis. A p-value below .05 indicates a meaningful relationship between the variables, justifying further analysis. In this study, the obtained p-value was less than .001, indicating significant relationships among the variables and supporting the continuation of factor analysis.

- The reliability of all thirty-six items assessing the propensity towards socially responsible investment is high, as indicated by a Cronbach's alpha coefficient of 0.952, surpassing the acceptable threshold limits. This suggests strong internal consistency reliability, with consistent alpha coefficient values observed across all constructs.

- **Company values:** The findings indicate that most investors consider company values to be crucial for making investment decisions. These values include cultural and religious inclusion, teamwork, equality, growth and performance, transparency, accountability, governance, work ethics, global perspective, unity, sustainability, employee development, health and wellness, recognition, innovation, leadership, agility, as well as service, quality, and relationships. Only a small number of investors disagreed with the importance of these values. Additionally, 68 respondents remained neutral on this matter, while very few investors do not prioritize company values when it comes to socially responsible investment. 176 respondents agree with company values as crucial part of investment when itcomes to socially responible investment.

- **Moral Intensity:** The findings show that investors prioritize moral intensity when making investment decisions, favoring businesses that minimize harm to the environment and society. Many believe supporting socially responsible companies promotes long-term sustainability and benefits employees, customers, and society as a whole. Neglecting socially conscious investments is viewed as detrimental to environmental, governance, and social issues. While 205 respondents agree with this stance, around 98 remain neutral on these concerns.

- **Attitude:** The findings indicate that 209 investors generally agree that investing in socially responsible stocks is a wise and innovative decision. They value the positive feeling of aligning their investments with ethical values, with company values playing a key role in their decisions. Investors show a strong preference for businesses that prioritize environmental, social, and sustainable practices, favoring these over

conventional investments. Overall, sustainable investments are highly attractive to investors, with some showing even stronger support for socially responsible investing. While 59 respondents remain neutral, the rest do not express a clear stance on this issue.

- **Return:** The findings show that 193 investors are willing to accept lower returns for socially responsible investments. If the returns and terms of a socially responsible financial product matched those of a traditional option, they would prefer the socially responsible choice, believing it can yield high returns. However, about 106 respondents remain neutral on this issue, while others do not consider sacrificing returns for socially responsible investments.

- **Perceived effectiveness:** The findings reveal that 217 investors believe it is important to avoid investing in unethical companies, as they consider the impact of their investment decisions on the environment and society. They feel that investing in socially responsible businesses enables them to contribute positively to societal and sustainability issues. However, 96 investors remain neutral on this matter, while 33 investors disagree or strongly disagree with the perceived effectiveness of socially responsible investments.

- **Perceived money availability**: The findings indicate that 187 investors have a strong interest in investing in socially conscious companies, but their current financial situations limit their ability to do so. They believe that if they had extra funds, they would prioritize investments in firms committed to social responsibility, seeing the potential for impactful investments aligned with their values. Meanwhile, 103 investors are neutral about investing in socially responsible firms, while 33 disagree and 11 strongly disagree regarding their readiness to invest if they had the financial means.

- **Willingness to invest:** The findings show that 160 investors remain neutral, while about 111 agree on their commitment to investing in companies that prioritize environmental protection, intentionally avoiding those with poor corporate governance and socially unjust practices. These investors understand the importance of supporting socially responsible investments and are willing to pay a premium for them, even when their performance matches that of conventional products. They are also open to spending extra on socially responsible products, regardless of their promotional visibility. This indicates a strong likelihood of choosing responsible investment options, reflecting their commitment to ethical investing. In contrast, 73 investors

disagree, and 15 strongly disagree with the idea of investing in socially responsible ventures.

5.2.4 Findings of relationship between trading behavior of investor and their inclination towards socially responsible investment.

- There is a statistically significant relationship between investment experience and the set of socially responsible investment variables.

- The analysis does not provide strong evidence of a statistically significant relationship between investment frequency and inclination towards socially responsible investment.

- There appears to be no statistically significant relationship between the dependent variable "risk appetite" and the dependent variable socially responsible investment.

- The findings suggest that there is no significant relationship between the approaches of investment and socially responsible investment behavior.

- The findings suggest that type of investors does not significantly influence an individual's inclination towards socially responsible investment

- The findings suggests that the magnitude of investment does not significantly influence how inclined an individual is towards socially responsible investment based on the data.

- The analysis reveals a weak but significant relationship between materialism and socially responsible investment (SRI). However, there is little to no meaningful relationship between collectivism and SRI in the dataset, and no significant relationship between religiosity and SRI.

- None of the four investment types (stock, funds, debt, hybrid) show a strong or statistically significant relationship with the inclination towards socially responsible investments

5.2.5 Findings of relationship between demographic characteristics of investors and inclination of investors towards social responsible investment.

- There is a statistically significant relationship between gender and inclination towards socially responsible investment (SRI).

- There is no significant relationship between occupation and inclination towards socially responsible investment (SRI).

- There is no significant relationship between qualification and inclination towards socially responsible investment (SRI

- There is a statistically significant, though weak to moderate relationship between age and inclination towards socially responsible investment (SRI).

- There is a moderate and statistically significant relationship between monthly income and inclination towards socially responsible investment (SRI).

- The analysis shows no statistically significant relationship between marital status and socially responsible investment.

5.3 CONCLUSION

In conclusion, this thesis has thoroughly examined the relationship between individual investor trading behavior and their inclination towards socially responsible investment (SRI). Through extensive analysis and exploration of various factors, including demographic characteristics, trading behavior and investment preferences several noteworthy findings have emerged. Firstly, demographic factors such as gender, age, income level, educational background, and marital status, the research highlights several key factors influencing investment decisions. Gender representation shows an increasing involvement of women in financial markets, indicating a shift toward gender inclusivity. Educational respondents are more, and younger investors tend to be more actively engaged in investing compared to other age groups. Income disparities are noticeable across various demographic segments, and married individuals make up a larger portion of the investor population, influencing their investment priorities.

Secondly, the study reveals diverse investor characteristics and preferences. Most participants have limited investment experience and invest occasionally, with a strong preference for conservative risk-taking. Investors rely on various sources for decision-making, with many using family advice and analysis. A significant portion prefers long-term or short-term investments, with stocks and funds being favoured over debt and hybrid investments. Personal values, such as materialism, collectivism, and religiosity, show strong consistency in shaping investment behavior. Overall, the research highlights key factors influencing investment approaches and preferences

Thirdly, the conclusion of the relationship between trading behaviour and inclination towards social responsible investment reveal that investment experience has a

statistically significant relationship with socially responsible investment (SRI) variables. However, there is no strong evidence linking investment frequency, risk appetite, investment approaches, or the type and magnitude of investments to an individual's inclination toward SRI. While there is a weak but significant relationship between materialism and SRI, collectivism and religiosity show no meaningful connection. Additionally, none of the four investment types (stocks, funds, debt, hybrid) demonstrate a significant influence on SRI preferences.

Additionally, the study's findings show a statistically significant relationship between gender and inclination toward socially responsible investment (SRI). A weak to moderate relationship exists between age and SRI, while monthly income has a moderate and significant impact on SRI preferences. However, no significant relationships were found between occupation, qualification, or marital status and SRI inclination.

Moreover, this study aimed to address the gap in understanding how individual investors utilize factors such as risk appetite, investment magnitude, and investor type in shaping their trading behavior toward socially responsible investing in emerging markets. Our findings reveal that investors do not perceive a significant relationship between these variables and their preference for socially responsible investments. The research gap in demographic characteristics highlights a lack of understanding of the relationship between marital status and socially responsible investment (SRI). In our study, it was found that there is no significant relationship between marital status and SRI preferences.

As emerging markets become key players in global finance, understanding investor behavior towards socially responsible investments (SRI) is becoming increasingly critical for several reasons. First, these markets are experiencing rapid economic growth, urbanization, and industrialization, which makes them significant contributors to global sustainability challenges such as environmental degradation and social inequality. Consequently, the investment choices made by individuals and institutions in these regions have a profound impact on the trajectory of sustainable development. Second, the financial systems in emerging markets are evolving, with growing access to capital markets, expanding middle classes, and increased financial literacy. This shift presents a unique opportunity to influence these investors to prioritize socially

responsible investing, thereby aligning financial goals with ethical and sustainable outcomes. Understanding their motivations and preferences toward SRI allows policymakers, financial institutions, and corporations to design products and frameworks that encourage more sustainable investment behaviour. Third, while socially responsible investing has gained traction in developed markets, the specific drivers and barriers for SRI in emerging markets may differ significantly due to varying cultural, economic, and regulatory contexts. Therefore, the study provide individual investors trading behaviour relationship with social responsible investment.

5.4 SUGGESTION

- Since gender has a significant influence on SRI preferences, designing products that align with women's values and concerns, such as sustainability, community impact, and ethical practices, could increase their participation. Encourage the visibility and leadership of women in the SRI space by supporting female fund managers or investment teams. Highlighting successful people in the industry could inspire more women to explore socially responsible investment opportunities.

- Though, qualification does not have significant relation with SRI, incorporate courses on financial literacy, ethical investing, and socially responsible investment (SRI) into high school and university curricula to make informed investment decisions that consider both financial returns and social impact. The awareness programs could include online courses, workshops, webinars, and mobile apps, offering basic to advanced content on investment strategies, with a focus on socially responsible investing. Financial firms and investment companies can create and promote educational programs that focus on SRI to target all levels of investors, from novices to experienced traders, and help them understand the importance of ethical investing.

- Since occupation does not have a significant relationship with SRI inclination, financial education programs should not be occupation-specific but designed to appeal to a broad range of professionals. To increase participation in SRI, companies in different sectors should raise awareness about the benefits of socially responsible investments. Offering socially responsible investment products as part of retirement or savings plans can encourage employees from various occupations to consider these options. By aligning internal CSR initiatives with socially responsible investment options, companies can

inspire employees to reflect the organization's ethical standards in their personal investments, bridging the gap between occupation and SRI inclination. Employers can offer incentives such as matching contributions or bonuses for employees who choose socially responsible options in company-sponsored investment plans, this can encourage employees to participate in SRI

- Financial institutions should create age-targeted marketing campaigns. For younger investors, campaigns can emphasize innovation, sustainability, and long-term societal impact. For older investors, messaging could focus on stability, ethical governance, and leaving a legacy through socially responsible investing. Investment products should be tailored to different age groups, recognizing their varying risk tolerances and financial goals. Younger investors tend to be more digitally savvy and are more likely to use technology to manage their finances. To effectively reach this demographic, financial platforms can leverage mobile applications, social media, and interactive tools to educate and engage them in socially responsible investing (SRI). Given their longer investment horizons, younger investors may favor long-term strategies, whereas older investors often prioritize short-term options that support retirement planning or income needs. SRI platforms can enhance engagement by offering transparent reports that highlight the social and environmental impact of investments. Additionally, providing incentives or rewards for making high-impact investments can further encourage participation across age groups. Financial advisors should be trained to understand the different motivations and concerns that drive SRI across age groups.

- Financial institutions should create socially responsible investment (SRI) products tailored to various income brackets. For higher-income individuals, products with larger investments and significant social impact can be developed, while accessible, low-entry SRI funds or micro-investing platforms should be offered for lower-income investors. Flexible investment plans, such as monthly or quarterly contributions, can cater to varying cash flow situations. Cost-effective options like fractional share investing, robo-advisors with a focus on sustainable portfolios, and pooled investment products such as ETFs allow individuals to start with smaller amounts, eliminating the need for significant upfront capital. Educational materials should be created to demonstrate how socially responsible investing (SRI) can align with different income brackets. Moreover, collaborating with employers to include SRI options within employee benefit programs can support direct payroll-based investments. Finally, advocating for

tax incentives for lower- to middle-income investors can make SRI more attractive, encouraging participation without impacting disposable income.

- For married couples, promoting SRI as part of shared financial goals can encourage investment in socially responsible products. Financial advisors can facilitate discussions around shared values and the potential for creating a lasting positive impact through joint investment decisions. Share case studies and success stories of individuals and couples who have successfully incorporated SRI into their investment strategies. These narratives can inspire others to consider SRI as a viable option, irrespective of their marital status. Encourage investors to reflect on their personal values and how these align with socially responsible investing. Workshops or resources that help individuals articulate their values may foster a deeper connection to SRI, regardless of their marital status.

- In case of investment experience being significantly related to SRI, it provide comprehensive educational resources to help investors understand the value and potential returns of socially responsible investments. Highlight the alignment of ethical values with profitability, showing that socially responsible investment options can still provide competitive financial returns. Recognize that experienced investors may require more sophisticated socially responsible investment options. Offering diverse strategies, such as ESG (Environmental, Social, and Governance) funds, green bonds, or impact investing, will appeal to different levels of investment experience. Many experienced investors may lean towards socially responsible investing if they see real-world impacts, such as environmental improvements or social justice outcomes. Share case studies and success stories that illustrate how investments have positively influenced communities or the environment.

- Investment frequency has no relation with SRI, it suggests some meaningful insights, i.e., reinforcing that all types of investors can make positive social impacts, regardless of investment activity. Ensure that SRI products cater to both long-term investors and those who invest more frequently, Offer a range of options. Tools like robo-advisors can allocate funds toward socially responsible investments regularly, making it easier for less active investors to support ethical causes without needing to invest frequently. Design flexible SRI products that can accommodate both high-frequency traders and those with a buy-and-hold approach.

- Though risk appetite does not relate with SRI, it suggests some meaningful insights, i.e., (SRI) offers opportunities for investors with varying risk appetites, from conservative to aggressive, provide a diverse range of SRI products that cater to different risk profiles. Communicate that SRI often involves companies with sustainable and ethical practices, which may contribute to long-term stability and risk mitigation, regardless of market fluctuations. Provide data and case studies demonstrating that SRI funds can perform as well as, or even better than, traditional investments, Customize SRI Portfolios Based on Individual Risk Tolerance

- Whether an investor follows the advice of friends, experts, or self-conducted analysis, socially responsible criteria can be factored into the decision-making process without altering the advice mechanism. Socially Responsible Investing (SRI) is a set of principles that integrates ethical considerations (like environmental, social, and governance—ESG—factors) into the investment process. It can be applied across any approach, whether using fundamental analysis, seeking advice from friends, or relying on expert recommendations. The focus on sustainability and social impact in SRI is independent of the method an investor uses to make decisions.

- Type of investor is not related to inclination of SRI as it is a value-based framework that can be applied across any time horizon, whether the investor holds positions for days (speculators) or years (long-term investors). The core principles of SRI—ethics and sustainability—are not affected by the length of time an investment is held. SRI does not change the time horizon of expected returns but enhances the decision-making process by incorporating ethical, environmental, and governance factors that can benefit both short- and long-term returns.

- It is a value-driven framework that can be applied regardless of how much money is being invested. Whether an investor allocates a small or large amount of capital, the core principles of SRI remain the same investing in companies with strong ESG (Environmental, Social, Governance) practices. Whether an investor is contributing Rs1 or Rs10000, they can still choose to support companies that align with their ethical values, sustainability goals, and desire for social impact. Investors at any financial level can contribute to this positive impact, meaning that the magnitude of investment does not influence whether one can engage in SRI or not.

- In case of materialism being related to SRI, some investors may view SRI as a way to align their financial success with a sense of social responsibility, seeing it as an avenue

to accumulate wealth while supporting sustainable businesses. Share research and case studies showing that SRI investments can match or outperform traditional investments over time. This appeals to materialistic individuals who want to grow their wealth while making ethical choices. In case of collectivism not relating with SRI, SRI products not being tailored for collectivist societies. There has been low trust of investors in community or government over financial markets. In case of religiosity not relating with SRI, People of varying levels of religiosity can either support or avoid SRI depending on personal, financial, or ethical priorities unrelated to their faith.

- SRI is not dependent on the any of the investment choices (equity, fund, debt or hybrid) ESG principles can be applied uniformly. This flexibility allows investors to align their financial goals with their ethical values without compromising on asset allocation preferences. Financial institutions and advisors should therefore develop and promote diverse SRI products across all investment categories to broaden accessibility and impact.

5.5 IMPLICATION OF THE STUDY

- **For investors:**
Women investors often have distinct personal motivations and would benefit from more tailored financial services that align with their values and life goals. Educational initiatives, such as workshops or awareness sessions, should be encouraged to help all investors better understand the principles and potential of SRI. Employers can play a pivotal role by integrating incentives into occupational investment plans—such as rebates or contribution matches—to encourage SRI participation. Investors across different age groups, income levels, and life stages, including variations in marital status, have diverse financial needs, suggesting that personalized SRI strategies will be more effective in driving engagement. Furthermore, experienced investors may seek more advanced and sophisticated SRI products, requiring platforms to offer nuanced portfolio options. Importantly, investors can contribute to positive environmental and social change regardless of how much capital they invest, as the foundational principles of SRI—investing in companies with strong ESG practices—remain consistent. These principles also transcend decision-making methods, emphasizing that the focus on sustainability and impact is not dependent on whether one uses robo-advisors, financial planners, or personal strategies. Designing SRI portfolios based on individual risk

tolerance and personal values can empower investors to make meaningful, responsible choices while achieving financial returns.

- **For policy makers:**

  Given the significant role of income in SRI preferences, policymakers could introduce tax incentives, subsidies, or other benefits to encourage low- and middle-income earners to invest in socially responsible products. By doing so, they would promote sustainability while ensuring that diverse economic groups contribute to ethical investing. Policymakers should promote financial literacy programs that specifically address the benefits of SRI. Design flexible SRI products that can accommodate both high-frequency traders and those with a buy-and-hold approach.

- **For Companies:**

  Companies can use the findings to align their corporate social responsibility (CSR) and sustainability practices with investor expectations. As gender, age, and income influence SRI preferences, businesses can better tailor their sustainability strategies to meet the interests of various investor groups. Financial institutions should create tailored SRI products based on the insights from this research. For example, companies can design products for high-income earners who are willing to invest more for greater social impact, while offering accessible SRI funds or micro-investing platforms for lower-income investors. SRI is partially driven by values like materialism and gender preferences, companies need to build trust by improving transparency and governance in their business practices. Doing so can attract more investors who are conscious of ethical and sustainable investments.

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APPENDIX

Description about the topic

Socially responsible investment is a type of investment strategy that strives to produce both social change and financial gains for the investor. It includes businesses making a positive sustainable or social impact, such as a solar energy company. However, Tobacco, alcohol, hazardous chemical industries, the creation of pornographic or violent content, the manufacture and sale of weapons, needless animal exploitation, nuclear power, and other businesses with negative social or environmental impacts are not included in the category of socially responsible investments.

Glimpse of various social responsible investment funds in India

1. Aditya Birla Sun Life ESG Fund
2. Axis ESG Fund
3. ICICI Prudential ESG Fund
4. Kotak ESG Opportunities Fund
5. Mirae Asset ESG Sector Leaders ETF
6. Quantum India ESG Equity Fund
7. SBI Magnum Equity ESG Fund

Glimpse of various socially responsible stock market index in India

S&P BSE 100 ESG INDEX	S&P BSE CARBONEX	NIFTY100 ESG INDEX	NIFTY100 ENHANCED ESG INDEX
Ambuja cement	Ashok Leyland	Birlasoft	Infosys Ltd.
Apollo hospital	Adani enterprise	Coforge	Tata Consultancy Services Ltd.
AU small Finance	Adani ports	FSN E-commerce ventures	Housing Development Finance Corporation
Avenue super	Asian paints	Indianmart intermesh	HCL Technologies Ltd
Axix Bank	Aurobindo pharma	Indian railways catering & tourism co.	Bajaj Finance Ltd.
BPCL	Ambuja cement	Info edge India	Titan Company Ltd.
Bharti Airtel	Adani total gas	Infosys	Wipro Ltd
Britannia Inds.	Bandhan bank	PB fintech	Kotak Mahindra Bank Ltd.
ACC cement	Bajaj holdings	Sonata software	Titan Company Ltd.

GENDER		
Male	Female	Others
OCCUPATION		

Salaried (Government, Corporate)	Self Employed (Business, Professional)	Unemployed (Student, Housewife)	Others

EDUCATION

Undergraduate	Graduate	Post Graduate	Doctorate	Professional Course	Others

AGE

Up to 25 year	25-30 year	31-40 year	41-50 year	51-60 year	60 above

MONTHLY INCOME

Up to 20000	20-25k	25-30k	30-40k	40-50k	Above 50k

MARITAL STATUS

Unmarried	Married	Separated	Divorced	Widowed	Others

INVESTMENT EXPERIENCE

Up to 2 years	2-5 years	6-10 years	11-15 years	Above 15 years

INVESTMENT FREQUENCY

Occasionally	weekly	Monthly	Daily

RISK APPETITE (As a % of portfolio)

Very low risk taker (5-10%)	Low risk taker (10-15%)	Average risk taker (15-20%)	High risk taker (25-35%)	Very high-risk taker (Above 35%)

APPROACHES OF INVESTMENT

Technical analysis Fundamental analysis	Advertisement/Media coverage (Newspaper articles, financial website, Television, radio)	General advice (brokers, family, friends, etc.)	Others

TYPE OF INVESTOR

Speculator (Less than a week)	Short-term investor (4-12 weeks)	Special situation investor	Medium-term investor (13-52 weeks)	Long-term investor (Above 52 weeks)

MAGNITUDE OF INVESTMENT

Less than 10k	10-20k	20-30k	30-50k	50k-1 lakh	Above 1 lakh

PERSONAL VALUES

SA indicates "strongly agree", A indicates "agree", N indicates "neutral", D indicates "disagree", SD indicates "strongly disagree"

- **Materialism**
1. I make investment for fulfilling my wealth expectations (gold, Property, etc.)   **SA   A   N   D   SD**
2. I don't think it matters how many material possessions someone owns (gold, Property, etc.)   **SA   A   N   D   SD**

3. I am influenced by those who purchase luxury goods, fancy homes, vehicles, and clothing	**SA**	**A**	**N**	**D**	**SD**

- **Collectivism**

1. Individuals should put their own interests aside for the good of the group or community to which they belong.	**SA**	**A**	**N**	**D**	**SD**
2. The well-being of themselves is less essential than community achievement.	**SA**	**A**	**N**	**D**	**SD**
3. Individuals should remain loyal to the organisation despite hardships.	**SA**	**A**	**N**	**D**	**SD**

- **Religiosity**

1. If I have to make major decisions, I am guided by spiritual ideals.	**SA**	**A**	**N**	**D**	**SD**
2. If more people would use their religion they would have made better decisions in investing.	**SA**	**A**	**N**	**D**	**SD**
3. I respect my religion, but there are a lot of other things that are equally vital to me while investing.	**SA**	**A**	**N**	**D**	**SD**

INVESTMENT CHOICE

Stock	Most Preferred	Preferred	Least Preferred
Funds	Most Preferred	Preferred	Least Preferred
Debt	Most Preferred	Preferred	Least Preferred
Hybrid (equity +debt)	Most Preferred	Preferred	Least Preferred

COMPANY VALUES

1. I consider company's commitment to diversity (Cultural and religion inclusion, Teamwork, Equality)	**SA**	**A**	**N**	**D**	**SD**
2. I consider company's commitment to its stakeholders (Growth & Performance)	**SA**	**A**	**N**	**D**	**SD**
3. I consider company's commitment to honesty (Transparency, Accountability and Governance, Work Ethics)	**SA**	**A**	**N**	**D**	**SD**
4. I consider company's commitment to social responsibility (Global perspective, Unity, Sustainability)	**SA**	**A**	**N**	**D**	**SD**
5. I consider company's commitment to employees (Employees Development, Health & wellness, Recognition)	**SA**	**A**	**N**	**D**	**SD**
6. I consider company's commitment to Entrepreneurship (Innovation, Leadership, Agility or swiftness)	**SA**	**A**	**N**	**D**	**SD**
7. I consider company's commitment to customer relationships (Service, Quality, Relationship)	**SA**	**A**	**N**	**D**	**SD**

MORAL INTENSITY

1. If I had to select between two businesses to invest in, I would go with the one whose goods are least damaging to the environment and other people.	**SA**	**A**	**N**	**D**	**SD**

2. I believe buying socially responsible investment unquestionably boosts the success of socially responsible companies.	SA	A	N	D	SD
3. If I do not engage in socially responsible investments, then sustainability and environment of future generations will be at risk.	SA	A	N	D	SD
4. I have no doubt that neglecting socially conscious investing will have a detrimental effect on matters pertaining to the governance, society, and environment.	SA	A	N	D	SD
5. I believe that employers and customers will automatically reap the benefits of ethical investment practices, followed by society as a whole.	SA	A	N	D	SD

ATTITUDE

1. I believe Investing in Social Responsible stocks is an intelligent choice.	SA	A	N	D	SD
2. Investment in social responsible stock impresses me as being innovative.	SA	A	N	D	SD
3. Investing in socially conscious stocks makes me feel good inside.	SA	A	N	D	SD
4. Company values is important to me when making decision to invest.	SA	A	N	D	SD
5. Between socially responsible investment and conventional form of investment I prefer environment, social/sustainable friendly one.	SA	A	N	D	SD
6. I think that purchasing environmental/social/sustainable friendly investment is favourable	SA	A	N	D	SD

RETURN

1. I would be willing to receive a lower return for social responsible investment	SA	A	N	D	SD
2. If the return and terms of a socially responsible and traditional financial product were same, then I would like to invest for Socially responsible.	SA	A	N	D	SD
3. Investing in social financial products seems to be able to generate me high return	SA	A	N	D	SD

PERCEIVED EFFECTIVENESS

1. It is worthwhile for investor to take action against unethical companies by avoiding them through investment.	SA	A	N	D	SD
2. When I purchase investments, I make an effort to think how my money may impact the environment and other society members	SA	A	N	D	SD
3. If an investor purchases securities offered by socially conscious businesses, that investor's actions will benefit society.	SA	A	N	D	SD
4. I believe as an investor I can contribute to resolving ethical and sustainability issues.	SA	A	N	D	SD

PERCEIVED MONEY AVAILABILITY

1. I want to invest in socially conscious companies, but due to lack the funds, I am unable to do so.	SA	A	N	D	SD
2. I believe I can make any anticipated purchases in social responsible investment.	SA	A	N	D	SD
3. I believe If I have extra money to invest, I will definitely invest in companies that uphold social responsibility.	SA	A	N	D	SD

WILLINGNESS TO INVEST

1. I would like to invest in shares/stock/companies that disregard environmental protection	**SA**	**A**	**N**	**D**	**SD**
2. While investing I exclude the companies with poor corporate governance	**SA**	**A**	**N**	**D**	**SD**
3. While investing I exclude companies that have socially unjust operations	**SA**	**A**	**N**	**D**	**SD**
4. I would like to pay extra for socially responsible investment even if the performance were same as the conventional products	**SA**	**A**	**N**	**D**	**SD**
5. I would pay extra for socially responsible products even if it is less promoted.	**SA**	**A**	**N**	**D**	**SD**
6. The probability that I will pay extra to buy socially responsible investment is very high.	**SA**	**A**	**N**	**D**	**SD**

LIST OF PUBLICATIONS

S. No.	Journal indexing (Scopus/ UG C/Web of Science)	Status of Paper (Submitted/ Accepted/ published)	Type of paper (Research/ Review)	Journal Name/ book	Title of the Paper	Volume, Issue Number & page number	ISSN Number, Impact Factor /SJ R
1	Scopus	Published	Research paper	Educational Administration Theory and Practice	Will prosocial behaviors influence intentions of Indian investors to join socially responsible investment?	3/29/2024 2024, 30(2) 2148-2403	7
2	UGC care	Published	Research paper	South Asian Journal of Management	Attitude and intentions for socially responsible investments: A study of stock market investors in Haryana	April-june2023, 30.2	0971-5428
3	Scopus	Published	Book chapter	Sustainability, Green Management and Performance of SMEs	Exploring individual intentions towards Socially responsible investment	2024, pp. 95-118.	97831111 70022
4	SSRN	Published	Research paper	SSRN	Determining Investment Decision by Evaluating Financial Performance Among Top ESG-Ranked Companies Using The Topsis Model https://dx.doi.org/10.2139/ssrn.4701453		