Factors Influencing Investment Decision in the Stock Market

Bimala Luitel*

Abstract

Investment can be defined as an existing commitment of cash in expectation of a favorable rate of return in the years to come. Investors are people who invest money in the hopes of making a profit. Understanding individuals' investment behaviour is critical. This study was conducted in Nepal's Rupandehi district's Butwal Sub-Metropolitan. A quantitative research design was used for this study. Given the size and diversity of the investor group, the study used a convenience sampling technique with a structured questionnaire. Analysis was done through ANOVA tests along with correlation and regression tests. The investment decision was found significant to information, economic, and psychological factors. It is found that economic factors and psychological factors have the most potent positive effect on investment decisions, with standardized coefficients of 0.908 and 0.348, respectively. In contrast, information factors have a weaker relationship with a coefficient of 0.298. Overall, the study concludes that economic and psychological factors are crucial in predicting investment decisions, highlighting the need for investors to be aware of both market conditions and their emotional states when making investment choices. Investors should pay close attention to both economic indicators and their own psychological biases when making investment decisions.

Key words*: Investment, Behaviour, Decision, Information, Economic, Psychological.*

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I. Introduction

Investment is the current financial commitment made with the hope of earning a favorable rate of return in the years to come. Investors are someone who invests money in the hopes of making a profit. Investors can be classified into three categories: aggressive, modest, and cautious. Investors are concerned with human phenomena, which are inherently complicated. Understanding individual investment behaviour is critical. Investment psychology, information gathering, definition and comprehension, research and analysis, and how investors assess, predict, analyze, and closely examine decision-making processes are all considered investment behaviors, according to Slovic (1972) and Alfredo and Vicente (2010).

Behavior in Recent years has seen a sharp increase in stock market investment, making it popular among academics. Calvet et al. (2017). According to Reilly and Brown (2016), investments are financial commitments made to a particular business for a predetermined period of time with the expectation of a healthy return that will make up for the time and risk invested. As a result, investing decisions frequently necessitate forgoing current expenditures to save funds for potential future benefits. Investors commonly use various investment research techniques to inform these decisions, such as technical analysis, fundamental analysis, and decision-making. Money invested and market factors are secondary assumptions.

Through various trading possibilities provided by the stock market, businesses and private shareholders can invest their wealth. Investing is believed to be a rational process in which investors aim to maximize future returns at the expense of present earnings. Based on anticipated risks and rewards, a sane investor will always aim to optimize future earnings. Several economic models are based on the rational analysis of human behavior. and make decisions based on

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widely accepted knowledge. However, investors might not be as logical as we believe (Shiller 2003, LeRoy and Porter 1981).

Additionally, individual investors make methodical purchasing and selling choices instead of haphazard ones. Individual investors want to put their money into an investment vehicle that will maximize returns while lowering risk. Securities are purchased and sold in an organized fashion on the stock market. Investors are those who are engaged in the share market. Specialists, buyers, and mediators who wish to purchase or transfer stocks quickly can be searching for excellent bargains or taking bad ones that come with more risk but also more reward. The best investment options are selected using factors such as the magnitude of uncertainty, economic viability, and liquidity circumstances (Gurung, 2004).

Typically, an investor's priority is to minimize risk while optimizing returns, unlike speculators who are prepared to take on more risk in the hopes of making above-average gains. To trade in the capital market, investors must purchase and sell stocks. Thus, it's essential to comprehend the various behavioral and economic aspects that affect their stock selection (Gurung, 2004). When making investment decisions, investors don't always respond rationally. Individuals are influenced mainly by their cognitive and emotional deficiencies while making financial decisions. When making investing decisions, they are biased in their behavior. Due to various criteria, including demographics, marital status, socioeconomic background, degree of education attained, age, gender, and information, each investor is unique in every way (Kabra et al., 2010).

1.1 Problem statement

The goal of the research is to determine the factors that will influence investment decision-making. While much study has been done in industrialized economies to understand investor behavior, relatively less research has been done in developing nations such as Nepal. With more businesses and investors, the Nepali stock exchange has expanded dramatically. These days, a growing number of individuals have been seen to be drawn to the stock market for investing purposes. As a result, a study has been conducted to investigate investor behaviour in the stock market and the factors that draw investors to it. The study on investor behavior helps uncover the important factors that influence investors' decisions to purchase and sell on the Nepal Stock Exchange by concentrating on these investors. Investor behavior study is expected to provide explanations for the responses of investors during the investment decision-making process.

The queries that followed were intended to be addressed by the research were:

- Is there a connection between information factors, economic factors, psychological factors, and investment decisions?
- Do information factors, economic factors, and psychological factors affect investment decisions?

1.2 Objectives

Finding the factors that affect investors' investment decisions is the primary goal of the study. Other goals of the study include the following:

- To determine the relationship among information factors, economic factors, and psychological factors that affect investment decisions.
- To examine the effect of information factors, economic factors, and psychological factors on investment decisions.

1.3 Hypotheses

The following theories were developed in light of the study's goals:

H1: Information factors and investment decisions are significantly correlated.

H2: Economic factors and investment decisions are significantly correlated.

H3: Investing decisions and psychological factors are significantly correlated.

H4: The information element significantly influences investment decisions.

H5: Economic factors have a major impact on investment decisions.

H6: Psychological factors have a major impact on investment decisions.

II. Review of Literature

2.1 Theoretical review

Capital and stock markets' potential remains unrealized, and commercial banks, in particular, seem to be the main financial intermediaries serving the financing needs of the economy's productive sectors. Since commercial banks are receiving the majority of investors' attention, the subject of stock market preference is being explored in Nepal. Commercial banks have seen susceptible daily share trading. Depending on how they feel about investing, investors can be divided into five categories: absent investors, significant individual investors, institutional investors, knowledgeable investors, and amateur investors. Most international business, governmental, and public financial activity are centered on the stock exchange. These open markets are where stocks and bonds are bought and sold under tight rules protecting individuals, businesses, and governments. They also play a vital role in raising money for the nation's economy.

This paper reviews two theories: prospect theory and current portfolio theory.

Modern portfolio theory

In 1952, Harry Markowitz established modern portfolio theory. The idea attempts to explain the importance of variation when undertaking an investment. Through careful asset allocation, contemporary portfolio theory seeks to minimize risk for a given level of expected return or maximize the expected return for a given amount of portfolio risk. According to Markowitz, an investor may choose to invest in a range of assets rather than concentrating on the risk of each one alone because a diversified portfolio is less unpredictable than the sum of the risks of its constituent parts. The volatility of the total portfolio might be very low, even when the individual assets may be highly unpredictable. The two central tenets of the theory are that risk may be minimized by diversifying a portfolio with a variety of unrelated assets and that the objective of any investor is to maximize return for any given degree of risk.

According to this idea, an investor may maximize a portfolio's anticipated returns by diversity, provided the investor has a preferred amount of risk. This may be achieved by reducing risk for a given return by investing in less correlated assets and combining linked commodities with assets that oppose one other. According to modern portfolio theory, each asset must have an expected return, although this can be challenging. Although previous performance may be used to forecast future returns, past performance is not necessarily a good indicator of the future. One approach is to replicate a market capitalization portfolio and combine it with a portfolio of identical assets that are balanced according to investor confidence in those expectations and investor expectations for the returns of these assets.

Prospect theory

Individual and institutional investors act pretty differently when it comes to investing.

An institutional investor is a company that invests for others, such as a mutual fund, hedge fund, or charity. A correspondingly more significant percentage of people decide to spend their money on non-tradable assets like real estate, hedge funds, or structural products. According to the theory, an investor's behavior is the steps to satisfy their needs and desires when they acquire, use, evaluate, and discard goods, resources, concepts, or experiences. The surroundings significantly influence investor behavior. Even though the markets have little influence over these factors, they have a significant impact on how investors behave. Investors seem to be altering their behaviour by purchasing and selling commodities and shares under different conditions.

2.2 Empirical review

"Factors Affecting Choices about Investments in Equity Market: The Perspective of Private Investors in Nigeria" by Obamuyi (2013) is the leading research article for this project. This document served as the study's conceptual framework draft. This article identifies some factors that have influenced individual investors' choices to participate in the Nigerian capital market based on a survey of 320 respondents. The study's main goal was to identify and rank the factors that have the most significant influence on investors' investment decisions and compare how the socioeconomic characteristics of investors affect any of those factors. The stock market is the secondary market on the other side of the market sector beneath the capital market. It includes all convertible assets previously issued by corporate entities and traded on a stock exchange. Because private company securities are not marketable due to adaptability limitations and cannot be exchanged on a stock exchange, they have no place in the stock market. The securities should have been listed on the stock exchange for corporate companies to profit from the stock market.

Sarkar and Sahu (2017) examined the variables affecting a single investor's actions in the Western Bengal Stock Market. The core data utilised in this study came from 500 picked at random individual traders in the stock market from various West Bengal districts. The data were gathered utilizing a standardized survey. The investors' estimated danger attitude was in a good position. It was primarily based on awareness rather than impact, according to significant results from using SPSS and Stata software to perform descriptive statistics, Cronbach Alpha, Factor Analysis, Correlation Coefficients, and the Probit Regression Model. This suggests that the risk-viewed attitude of the investors was based on the cognitive processes involved in gaining understanding and retention of information, such as reasoning, understanding, recalling, assessing, and solving problems, rather than the sentimental aspect of an attitude that relates to a person's feelings about a specific person or thing.
The market for stocks is an effective platform for putting activity according to the heuristic, customers, and market dimensions; the herding aspect is less prominent in this context. According to the study's findings, a person's risk-taking mentality and social background have a big impact on how they behave in the stock market.

The goal of Chattopadhyay and Dasgupta's (2015) study was to find out whether Indian retail investors' willingness to take financial risks and, therefore, their risk attitudes are influenced by their demographic and socioeconomic background as investors. 200 individual investors who frequently made stock market investments in India were selected for this study. This inquiry has used a random sampling method. The study's

findings indicate that Indian investors are more risk-adverse due to a lower threshold for risk tolerance. It has been discovered that older investors are more risk-adverse than younger investors, with age having a significant influence on risk appetite. It was also shown that married investors with kids were less willing to take risks. While increased incomes and investment savings tend to reduce risk aversion, educated persons exhibit greater tolerance for risk levels, making them more susceptible to risk. The results of this study also indicate that female investors are more likely to take risks than their male counterparts and that a person's work level has no impact on their willingness to take risks.

Ngoc (2014) investigates how the behavior of individual investors affects their choices at securities businesses in Ho Chi Minh City, Vietnam. At the Ho Chi Minh Stock Exchange, individual investors exhibit five behavioural variables: the future, optimism, gambler's error, herding market, and anchoring ability bias. Behavioural features such as following other investors' decisions (acquiring and selling, trading stock selection, trading volume) are examples of herding effects. The components of the market elements include facts about the market and price fluctuations. Three components comprise the prospect factor: mental estimation, regret aversion, and risk avoidance. The two components that comprise the heuristic features are anchoring-ability prejudice and overconfidence-gamble's mistake. According to him, investors should do a thorough analysis before investing, but they should not worry excessively about past losses if they want to make more later. Additionally, the investor shouldn't minimise their financial guilt by not selling down stocks and instead selling increasing ones.

Chaudhary (2013) looked at the value and relevance of behavioural finance and how it affects investment decisions. In addition, he has spoken about specific strategies for share and bond buyers to help them overcome mental obstacles. In his 2010 study, Nayak evaluated the scope of investor issues and the function of grievance redressal organisations. In the Valsad area of Gujarat state, he gathers primary information on the demographic makeup of investors, their familiarity with different grievance redressal institutions, the volume of complaints they submit, and their degree of satisfaction through a practical random sampling approach. He demonstrates, via the use of chi-square analysis, that there are notable variations between the different demographic factors and investor comprehension of complaints, awareness of resolution agency operations, loading of complaints, and investor contentment degree.

In order to analyze the market's responses to physical and emotional information, Kadariya (2012) studied the Nepalese capital market and looked at investor sentiment. For this study, a descriptive and correlation research approach was used. A standardized questionnaire has been utilized to gather investor opinions. 185 investors received the surveys via email; of these, just 50 were deemed helpful, or a 27 percent rate of responses. The study's findings showed that most respondents who participate in the stock market are under thirty years old, which suggests that younger investors are drawn to the securities market. In the Nepalese stock market, novice buyers have a more significant say due to the presence of knowledgeable investors. It has been noted that the two main things affecting investing decisions are friends and the media. Investors have indicated that the banking and finance industry is their first choice, followed by the hydropower sector, while the manufacturing

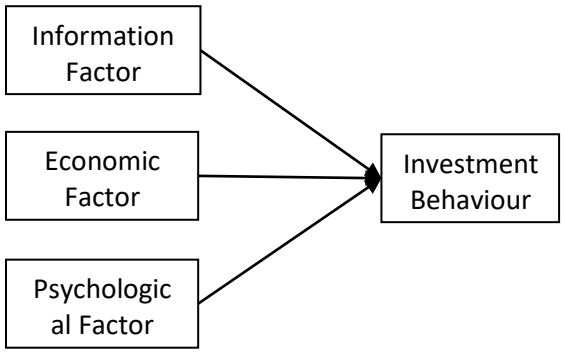
sector is the lowest. Before investing, market noise and fundamental analysis are the most popular approaches. Individual investors consider the five most important factors when making investment decisions to be the tangible (dividends, earnings, number of stocks, book-to-market ratio), the intangible (government led by a political party), and the combination of these factors.

Fares and Khamis's (2011) investigation at the Amman Stock Exchange aimed to identify the variables impacting investors' trading behaviour. Four reasons were employed in this study: the investor's age, the extent of formal education, the broker, and the investor's use of the Internet. The questionnaire used to collect the data was filled out by 450 respondents, 300 of whom submitted complete sets of answers. The amount of money used for stock trading was the dependent variable that was evaluated. This study investigates the relationship between independent and dependent variables using the multiple regression approach. Only three of the fifteen independent variables showed a positive sign and were statistically significant: the investor's age, internet usage, and academic education. The broker variable was significant, but it also showed a negative sign, indicating that analysts need to be highly knowledgeable and qualified to win over clients.

According to Paudel (2005), stock markets aid in capital allocation, investment, and growth because of their liquidity, allowing businesses to get much-needed funds quickly. As the Nepalese stock market continues to be in its infancy, according to Devkota, Upadhyaya, and Joshi (2007), it is unlikely to influence the nation's economic activity significantly. According to K.C. (2010), growth in finance is essential, and stock markets help Nepal's economy thrive. Yet, Nepal's market is vulnerable to manipulations and price drag because of its small size, lack of liquidity, domination of a small number of major firms, and inability to manage stress proportional to trading volume.

2.3 Research Framework

Figure 1 displays the research model for this investigation. The theory of planned behavior (TPB) is the foundation for this paradigm. This theory describes how various elements influence human intention and conduct.



The independent variables in this framework (Figure 1) are the information, economic, and psychological factors. The dependent variable is investment behaviour.

a) Information factor

Information is crucial when it comes to influencing investing decisions. Investors must have easy access to information in order to make wise selections. Information encompasses elements including the company's track record, standing in the industry, predicted dividends and capital gains, information marketability, voting rights, and credit availability (Adhikari, 2010).

b) The psychological component

Psychological factors are those that affect people's mentalities. These elements include quick returns on investment, intuition about the state of the economy, recommendations from financial consultants and analysts, guidance from stock brokers, counsel from

friends and relatives, and investment diversification (Geetha & Ramesh, 2012).

c) Economic factor

Investor decisions are often impacted by the various economic factors that drive the movement of the stock market. The nation's economic circumstances will directly affect stock price performance and investor decisions. Exchange, interest, and inflation rates are examples of economic elements (Kadariya, 2012).

III. Research Methodology

3.1 Research design

Using a quantitative research design, the study investigated the factors influencing stock market investment decisions. The study has chosen a descriptive, relational, causal, and analytical research design to investigate the goal. To explain the variables under investigation, this research design was used to examine the characteristics of the respondents, their investment choices, their attitudes regarding the stock market, and the factors that motivate them to make stock market investments.

3.2 Population and sample and sampling design

The total group from which samples are taken is called the population. The particular group from which data has been collected is called a sample. The whole population of individual stock market investors was chosen for this study. Given the size and diversity of the investor population, the study used the convenience sampling approach to choose samples, gather information from the samples, and evaluate the findings. Because the participants were easily accessible and close by, the convenience sampling approach was employed to choose them.

The following formula has been used to determine the sample size for estimating representative sample size when the population is unknown (Cochran, 1977): where, for an infinite population, no=Sample size With a 95% confidence interval and a 5% margin of error, Z is the critical value of the desired confidence interval, p is the estimated proportion of an attribute present in the population, and e is the desired degree of precision divided by the margin of error.

Here, Z =1.96, p = 0.5, q = 0.5, e = 0.05

Then,

= 384, which is the optimal sample size for this study.

3.3 Nature and sources of data and the instrument of data collection

The study is a quantitative research study. The study's foundation is based on the survey approach, which uses primary and secondary data sources. The samples were surveyed using a structured questionnaire. Additionally, pilot testing was done to increase the validity and reliability of the questionnaire.

3.4 Primary data and secondary data

A structured questionnaire that was distributed online was used to gather primary data. The purpose of the questionnaire was to gather the respondents' personal data, including age, gender, occupation, salary range, education level, and stock market perception. The questionnaire also contained research questions about the factors being studied. The questionnaire asked questions that could be answered using a Likert scale, multiple choice, single choice, and short answer formats. The questions were gathered and derived from the results of earlier studies included in the literature review. Annex 1 is an example of the questionnaire that was used.

Secondary sources of information, such as journals, papers, magazines, websites, and books, have been gathered to investigate the

elements impacting stock market investing decisions.

3.5 Analysis techniques

The questionnaire results were analyzed using several statistical techniques. The reliability and validity of the variables, demographic data, descriptive statistics, correlation analysis, and multiple regression analysis were all examined using the statistical program SPSS.

Reliability

The degree to which a research approach yields consistent and steady results is known as reliability. The Cronbach's alpha test was used to assess the internal consistency, efficacy, and reliability of the questionnaire's items. Cronbach's alpha is considered to be at least 0.7 (Nunnally, 1998).

Statistics on demographics

Demographic analysis is the study of a population based on variables including age, gender, marital status, occupation, income, and more. Demographic statistics measure the population's age, gender, occupation, income, and other characteristics.

Descriptive statistics

Descriptive statistics are used to explain the data in a more organized and user-friendly way and to provide a broader perspective. Demographic statistics describe the measures of data central tendency, such as mean, median, mode, and standard deviation.

The mean, calculated by dividing the total number of values by the number of values, is the arithmetic average of the range of values. In this study, the mean was computed to determine the average of the answers provided by participants to the many factors that were examined.

Correlation analysis

The degree of link between variables is assessed via correlation analysis. It shows the degree to which variables are related to one another. The following illustrates how the scale model proposed by Davies (1971) has been used to characterize the connection between the independent and dependent variables:

Table 1: Correlation data

Correlation coefficient	Results
0.7 and above	Very Strong Relationship
0.50 to 0.69	Strong Relationship
0.30 to 0.49	Moderate Relationship
0.10 to 0.29	Low Relationship
0.01 to 0.09	Very Low Relationship

Correlation analysis is used for responses provided in Likert scale to find out the extent of relationship between the variables.

Multiple regression analysis

The link between a single dependent variable and multiple independent variables is measured using regression analysis. Multiple regression analysis will assess the relationship between the dependent variable and its independent factors. Multiple regression analysis is applied to responses given on a Likert scale to determine the link between independent and dependent variables. The regression equation developed below can be used to calculate multiple regression analysis:

$$Y=a+b1x1+b2x2+b3x3+e$$

Where,

Y= Factors influencing investment in stock market.

a = Intercept

x1 = information factors

x2 = psychological factors

x3 = economic factors

b1 = Coefficient of information factors

b2 = Coefficient of psychological factors

b3 = Coefficient of economic factors

e = Standard error of estimate.

IV. Results and finding

4.1 Demographic Profile

Out of 307 participants, the majority were male (72.3%), while the remaining 27.7% were female. This indicates that male participants were more likely to participate in the study than males. Age between 21 and 40 years old was the largest age group, with 50.2% of participants. The second-largest age group was those below 20, accounting for 21.5% of participants. Participants aged 41 to 50 comprised 17.9%, while those above 50 accounted for 10.4%. Most respondents were unmarried, accounting for 54.7% of the total sample. The remaining 45.3% were married.150 (48.9%) had a Bachelor's degree, while 106 (34.5%) held a Master's. Intermediate-level holders accounted for 13.4% of the participants, while only 3.3% had completed their SLC and below. The majority, i.e., 48.9%, were students, while 30.3% were employed in the private sector. Self-employed individuals accounted for 9.1% of the participants, while housewives represented only 7.8% of the sample. The government sector had the smallest representation, accounting for only 3.9% of the participants.

4.2 Descriptive Statistics

Information Factor

The mean score for the information factor is 3.50, indicating that respondents moderately agree that these factors influence their investment decisions. The standard deviation of 1.36 suggests a moderate level of variability in opinions, meaning that while many respondents may feel that information factors are important, some strongly agree or disagree with this view.

Economic Factor

With a mean of 3.62, economic factors are viewed as slightly more influential in investment decisions than information factors. The standard deviation of 1.30 shows moderate variation in responses, indicating that while many agree on the importance of economic factors, there are differing levels of agreement, with some respondents feeling more strongly than others.

Psychological Factor

The mean for psychological factors is 3.49, suggesting that respondents generally agree, albeit slightly less than with economic factors, that psychological factors impact their investment decisions. The standard deviation of 0.93 is relatively low compared to other variables, indicating more consistent opinions among respondents regarding the role of psychological factors in investment decisions.

Investment Decision

The mean of 3.63 for investment decisions reflects that respondents believe their decisions are moderately influenced by the factor considered. The standard deviation of 1.12 shows some variability in responses, suggesting that while most respondents acknowledge the influence of this factor, the strength of this influence differs among individuals.

Table 2

Overall Descriptive Statistics

S. No.	Variable	Mean	Standard deviation
1	Information Factor	3.5029	1.36495
2	Economic Factor	3.6202	1.30248
3	Psychological Factor	3.4919	.93503
4	Investment Decision	3.6274	1.12466

4.3 Inferential Statistics

Correlation

Table 3

Correlation

	Info. Factors	Eco. Factors	Psychological Factors	Investment Decision
Information Factors	1	.904**	.340**	.642**
Economic Factors		1	.402**	.779**
Psychological Factors			1	.612**
Investment Decision			.	1

The correlations presented in Table 3 indicate that each of the variables (economic, psychological, and information factors) and investment decision have a positive link.

Regression

Table 4

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.8564[a]	.729	.727	.58787

a. Predictors: (Constant), Knowledge, Psychological Factors, Information Factors, Economic Factors

Table 5

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	282.337	3	94.112	272.326	.000[b]
	Residual	104.713	303	.346		
	Total	387.050	306			

a. Dependent Variable: Investment Decision

b. Predictors: (Constant), Psychological Factors, Information Factor, Economic Factor

Table 6

Coefficient

Model		Unstandardized Coefficients		Stand. Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.185	.138		1.337	.182
	Information Factor	-.245	.058	-.298	-4.252	.000
	Economic Factor	.784	.062	.908	12.630	.000
	Psychological Factors	.419	.039	.348	10.650	.000

a. Dependent Variable: Investment Decision.

The results of the total regression analysis indicate that the dependent variable (investment decision) and the independent variables (information factors, economic factors, and psychological factors) are significantly correlated.

A high positive correlation between the information factors, economic factors, psychological factors, and investment decision is indicated by the model summary in Table 4, which displays a value of R of.854. According to the R-squared value of.729, the information, economic, and psychological factors account for 72.9% of the diversity in investment decisions. The model appears to be an excellent fit for the data, as indicated by the corrected R-squared value of.727.

With a big F-value of 272.326 and a significant ($p<.001$) regression model, the ANOVA table in Table 5 demonstrates that the model explains a substantial portion of the variation in investment decision.

The coefficient table in Table 6 shows the standardized regression coefficients for each independent variable. The results show that Economic Factor and Psychological Factors have the strongest positive effect on Investment Decision, with standardized coefficients of .908 and .348, respectively. This means that Economic Factors and Psychological Factors if increase, Investment Decision is more likely to increase. However, Information factor has weaker relationships with Investment Decision, with standardized coefficients of .298.

4.4 Hypothesis Testing

Table 7

Hypothesis

S. No	Hypothesis	Accept / Reject
	H1: Information factor and investment decision are significantly correlated.	Accepted
2	H2: Economic factors and investment decisions are significantly correlated.	Accepted
3	H3: Investing decisions and psychological factors are significantly correlated.	Accepted
4	H4: The information element significantly influences investment decisions.	Accepted
5	H5: Economic factors have a major impact on investment decisions.	Accepted
6	H6: Psychological factors have a major impact on investment decisions.	Accepted

V. Conclusion and Implication

Discussion

The goal of the current study was to investigate the informational, economic, and psychological elements that impact stock market investment decisions. According to the regression analysis, knowledge factors have a relatively minor influence on investment decisions, but psychological and economic elements are the main predictors. Since stable economic conditions boost investor confidence and promote stock market participation, economic factors like inflation rates, interest rates, and economic growth have a big impact on how investors behave. Similar finding was observed by Khan et al. (2021) that economic policies and trends greatly affect stock market investment decisions, creating a positive relationship between economic factors and investment activity. Psychological factors, including emotions, behavioral biases, and investor sentiment, have a notable influence, with factors like optimism and overconfidence driving investment choices. Overall the study concludes that economic and psychological factors are crucial in predicting investment decisions, highlighting the need for investors to be aware of both market conditions and their emotional states when making investment choices.

The study suggests that investors need to be aware that while access to information is important, their decisions may be more heavily influenced by emotional and economic factors. On constructing policies and for academic institutions understanding the psychological drivers behind investment decisions can help in crafting policies that mitigate the negative impacts of irrational market behaviors and enhance investor protection. Further research can build on these findings by exploring how different investor demographics (such as age, experience, and income level) interact with economic and psychological factors. Further research can build on these findings by exploring how different investor demographics (such as age, experience, and

income level) interact with economic and psychological factors.

According to research (Henri et al., 2006), job characteristics and working conditions both influence on an individual's quality of work life (QWL). Both the physical and social aspects of the workplace, as has been shown by several studies influence the psychological health of workers. According to Ahmad (2001), the primary tenet of QWL is to establish working conditions where employees may collaborate with one another to accomplish organizational goals and boost employee performance. The findings of the former research are thus confirmed by the current study.

Similarly, the three key aspects of newcomers' experiences in the society they are joining are social integration, economic integration, and identity integration (Loscocco & Roschelle, 1990). Social integration refers to newcomers' cooperation, satisfaction, and appeal to the team (Wyatt & Wah, 2001). Organizational socialization is the process of establishing the attitudes, actions, and knowledge needed to work in a company (Maanen & Schein, 1979). The perspectives of the employee, who is attempting to define his or her function within the company, and the viewpoint of the organization, which is attempting to influence and mold its new members, are the two key forces at play in this process. Therefore, it is clear that both the newcomer and the organization influence the socialization process. The newcomer can influence the organization because they are now a member of it, but the organization also affects them since they are now a part of it. A successful socialization process has advantages for both the person and the company, including lowering uncertainty, boosting work satisfaction, and transmitting organizational culture. Ineffective socialization, however, can have negative effects on the organization. According to Fisher (1986), inadequate socializing encourages turnover intentions, which have a costly knock-on effect on productivity and work flow (Shaw & Delery, 2005; Ahmad & Kushwaha, 2016). Recruitment and training expenses are wasted since they raise prices. This demonstrates the significance of a thoughtful socialization process. This one thus confirms the findings of the former research.

Similarly, it was discovered that a good connection between a supervisor and a subordinate inspires workers to perform more effectively based on the Sirgy et al. (2008) model of the link between Relation, Cooperation and Employee Performance. Sirgy et al. (2008) further stated that enjoyable QWL programs contribute to the improvement of healthy relationships by offering work resources to support the employee's expectations, reducing role conflict related to work and personal life, improving numerous roles, reducing role expectations, reducing stress from both work- and non-work-related sources, and the enhancement of a role's relevance. In this research, Ahmad (2001) adopted the Work-Life Identity model because it goes into detail on how programs for people's personal non-work and working lives affect their own overall well-being. The purpose of this study was to determine the effect of initiatives that promote a high-quality work-life balance on employee performance (Shaw & Delery, 2005). As a result, this one supports the results of the earlier study.

A productive workforce is typically built on compensation, which is the incentive provided to employees in exchange for their services. Executing your pay planning strategies effectively often immediately affects the caliber and performance of your company's personnel pool (Maanen & Schein, 1979. The term "compensation

package" may refer to more than just monetary pay. Incentive, healthcare insurance, time off, and work-life harmony are also part of the deal. Nowadays, workers place equal value on non-monetary forms of compensation. That is what Ahmad (2001) says a salary guarantee does. When employees are compensated well, they are less likely to leave the organization.

Similar to this, culture in organizations plays a crucial role in achieving organizational success (Shahzad et al., 2017). The relationship between outcomes and staff satisfaction and corporate culture is strong. According to Shahzad et al. (2017), the organization culture may encourage employees to engage in decision-making and to contribute their innovative ideas in order to enhance the overall performance of the firm. Skoran (1983) emphasized that organizational culture is the foundation for sustaining an organization's competitive advantage over time. According to Skoran (1983), organizational culture affects member behavior; hence, culture is necessary for enhancing member performance. According to (Robbins & Judge, 2016), organizational culture is viewed as a system put in place by the organization's members and develops into a quality that sets it apart from other organizations. Organizational culture is defined by values, fundamental presumptions, expectations, and organizational descriptions that define the organization and its people, according to Lapina et al. (2015). Organizational culture serves as both the foundation and defining feature of the company and a social glue that ties individuals together via shared beliefs (Lapina et al., 2015). It is important to realize that, in companies, culture is not necessarily a positive thing. If an organization's culture discourages innovation and resists change, culture might become a barrier (Robbins & Judge, 2016). Thus, the findings of previous study are consistent with this study.

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