

# From Awareness to Investment: The Role of Financial Literacy and Behavioural Factors in Share Market Participation Among JSW Steel Employees

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**Abstract:** The stock market has emerged as a significant avenue for wealth creation in India, supported by technological advancements, online trading platforms, and financial literacy initiatives. Despite these opportunities, investment behaviour is influenced by awareness levels, risk perceptions, and personal financial goals. This study focuses on employees of JSW Steels Ltd, a group with stable incomes and investment potential, to examine their stock market awareness, participation patterns, motivations, and barriers.

Using primary data collected from 54 employees through a structured questionnaire and supported by secondary sources, the study reveals that while a majority of respondents are aware of the stock market, only a small proportion possess strong knowledge. Participation levels are moderate, with nearly two-thirds investing either regularly or occasionally. Shares and mutual funds are the most preferred options, while bonds, gold, and real estate attract less interest. The key motivator for investment is long-term savings, followed by the pursuit of higher returns, whereas limited disposable income, lack of knowledge, and fear of risk are major obstacles.

The findings highlight the presence of awareness but also point to knowledge gaps and risk aversion that restrict broader engagement. The study concludes that targeted financial literacy programs and support mechanisms can enhance employee confidence, encourage informed decision-making, and contribute both to personal financial security and to strengthening the financial system.

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## I. INTRODUCTION

In today's economic landscape, the stock market plays a vital role as a channel for wealth generation and financial growth. In India, the increasing availability of online trading platforms, easy access to market information, and various financial literacy programs have encouraged more individuals to consider equity investments. Yet, an individual's decision to enter the stock market is shaped by several factors such as level of awareness, risk perception, and personal financial objectives.

Within corporate organizations such as JSW Steel Ltd, employees generally enjoy stable incomes and possess financial resources that can be directed towards investments. This makes them a potential group of investors in the equity market. The present study seeks to assess the level of stock market awareness among JSW Steel employees and to

identify how many are actively involved in investing. It also aims to analyse the factors that drive their investment choices as well as the challenges that hinder their participation.

## II. LITERATURE REVIEW

➤ *Agarwal et al. (2021)*

This research explores the effect of India's national road construction initiative on stock market involvement by linking areas that previously lacked connectivity. An analysis of trading data from more than 13 million investors revealed that the addition of feeder roads led to a 6.8% rise in new investors and a 7.9% increase in trading volumes, with the impact being more prominent in rural and semi-developed regions. A key driver of this growth was the establishment of new bank branches within three years of road development, underscoring the importance of financial inclusion. Improved road connectivity also promoted greater portfolio

diversification and investment in geographically distant firms, indicating that enhanced access boosted both financial participation and information flow.

➤ *Sivaramakrishnan et al. (2017)*

This study investigates how financial literacy and behavioural factors influence stock market participation in India. The Theory of Planned Behaviour (TPB) was used as the base framework. A mixed-methods approach was followed, starting with qualitative interviews and then a survey. Data was collected from 506 retail investors across four cities in India. Structural equation modelling was applied to test the model. Findings show that investment intention strongly predicts actual participation. Both subjective and objective financial literacy affect intention, but only objective literacy impacts behaviour. A new construct called “Attitude to Investment Behaviour” negatively influenced investment intention. Financial well-being reduced intention but had a positive effect on behaviour. The study highlights the importance of financial literacy programs and contributes a comprehensive model for understanding investor behaviour in emerging markets.

➤ *Arora & Chakraborty (2023)*

Several studies have highlighted the role of socioeconomic and demographic factors in shaping financial literacy and its impact on investment behaviour. Using data from the Financial Inclusion Insights (FII) survey of over 47,000 individuals in India, researchers found that variables such as age, gender, education, income, residence, and access to information significantly influence financial literacy levels. Further, econometric analyses suggest that financial literacy plays a crucial role in guiding investment choices, particularly in traditional assets such as gold, real estate, and business activities. The study also contributes to the literature on emerging economies by showing that advanced financial literacy, often acquired through exposure to family or peers’ participation in the stock market, increases the likelihood of individuals engaging in stock market investments. This evidence strengthens the understanding that financial literacy not only varies across social and demographic groups but also shapes how individuals approach investment decisions in developing countries like India.

➤ *Radha & Saravanan (2025)*

This study investigates the financial literacy and investment behaviour of corporate employees in Hyderabad. It examines how factors such as income, age, education, risk appetite, and financial awareness influence their choice of investments, including mutual funds, stocks, real estate, and fixed deposits. A structured survey was used to measure financial literacy and analyse investment patterns. The findings show that most employees have a moderate level of financial knowledge, with noticeable differences across gender, age, and income groups. Employees with higher literacy prefer diversified investments, while those with lower literacy rely on traditional, low-risk options. The study highlights the need for focused financial literacy programs to help employees make informed decisions, achieve financial security, and support economic growth.

➤ *Patil et al. (2024)*

This study explores the investment behaviour of Indian millennials in the stock market, focusing on the socio-economic and technological factors influencing their decisions. Using a survey of 180 millennial investors and Exploratory Factor Analysis (EFA), six major factors were identified: risk tolerance, financial literacy, technological proficiency, socio-economic conditions, social influence, and sustainability. The results show that risk tolerance and technological skills are the strongest drivers, reflecting millennials’ willingness to take risks and their dependence on digital platforms. The findings offer useful insights for financial institutions, educators, and policymakers to design strategies that improve financial literacy and encourage greater millennial participation in the stock market.

➤ *Athira K (2023)*

This study looks at past and recent research on financial literacy and stock market participation using bibliometric analysis. A total of 1,628 papers published between 1991 and 2022 were collected from Scopus and studied with the help of Biblioshiny software. The findings show the main themes in this field and point out areas that are not researched enough, such as financial education, risk tolerance, household finance, and financial advice. The study suggests that more research is needed to better understand financial literacy and explain its importance to both investors and non-investors.

➤ *Van Rooij et al. (2011)*

With individuals now largely responsible for their own retirement security and faced with increasingly complex financial products, this study examines the role of financial literacy in investment behaviour. Using special modules in the DNB Household Survey, it measures both basic knowledge (inflation, interest rates) and advanced knowledge (stocks, bonds, diversification). The results show that while people have some understanding of basic economic concepts, their knowledge of financial markets is very limited. Findings also reveal that survey question wording strongly affects how financial literacy is measured. Most importantly, the study confirms that individuals with low financial literacy are much less likely to participate in the stock market.

➤ *Lusardi & Mitchell (2014)*

This paper reviews the growing research on financial literacy, treating financial knowledge as an investment in human capital with key welfare and policy implications. Using survey evidence, it highlights how much people actually know and identifies groups with low financial literacy. The review also examines how financial literacy affects economic decisions in the U.S. and other countries, showing the consequences of financial illiteracy and ways to address it. Finally, it outlines gaps that future research must fill to strengthen both theory and policy.

➤ *Objectives of the Study*

- To measure the level of awareness about the stock market among JSW Steels Ltd employees.
- To identify the percentage of employees who actively invest in shares.

- To examine the factors influencing investment decisions.
- To identify barriers to investing in the stock market.

mainly to support the literature review and provide context.

#### ➤ Research Methodology

##### • Data Sources:

- ✓ *Primary Data:* Gathered directly from employees of JSW Steels Ltd through a structured questionnaire designed in Google Forms.
- ✓ *Secondary Data:* Drawn from published books, journal articles, research reports, and reliable online resources,

##### • Population and Sample Size:

- ✓ *Population:* All employees working at JSW Steels Ltd.
- ✓ *Sample Size:* A sample of about 54 employees will be considered sufficient for meaningful interpretation.
- ✓ *Data Collection Tool:* Information will be collected using a structured questionnaire (Google Form).

#### ➤ Data Analysis

Table 1 Have you Heard About the Stock Market?

| Option   | No. of Respondents | Percentages |
|----------|--------------------|-------------|
| Yes      | 35                 | 64.80%      |
| Somewhat | 16                 | 29.60%      |
| No       | 3                  | 5.60%       |

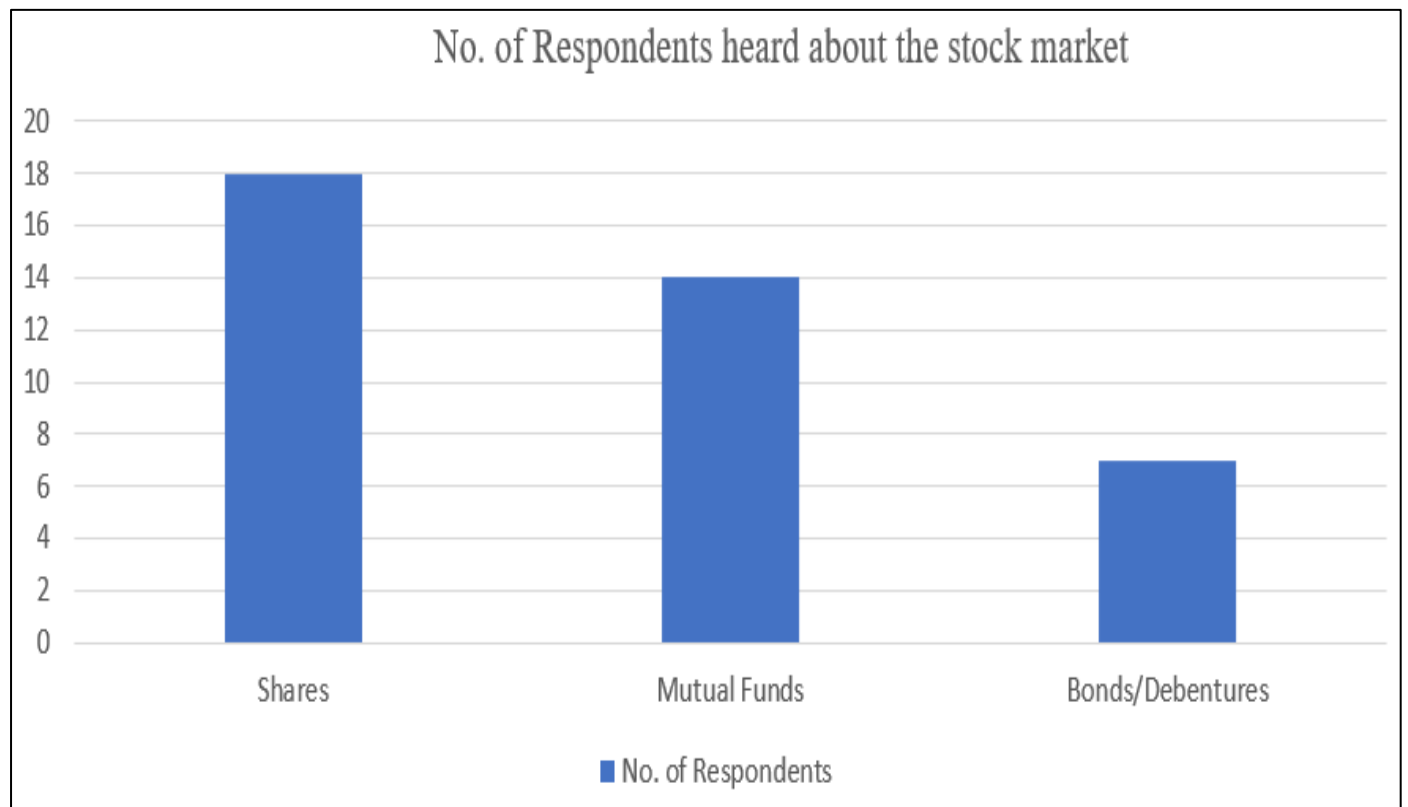


Fig 1 No of Respondents Heard About the Stock Market

##### • Interpretation:

The results show that most respondents (64.80%) are familiar with the stock market, indicating a strong level of awareness. Around 29.60% have only a partial idea, which suggests they have heard of it but do not fully understand its

functioning. A very small proportion, 5.60%, reported having no awareness at all. These findings highlight that while overall awareness is high, there is still a notable section of individuals who need more exposure and knowledge regarding the stock market.

Table 2 How Would You Rate your Understanding of the Stock Market?

| Option                 | No. of Respondents | Percentages |
|------------------------|--------------------|-------------|
| Good Understanding     | 14                 | 25.90%      |
| Basic Knowledge        | 19                 | 35.20%      |
| Very Limited Knowledge | 17                 | 31.50%      |
| No knowledge           | 4                  | 7.40%       |

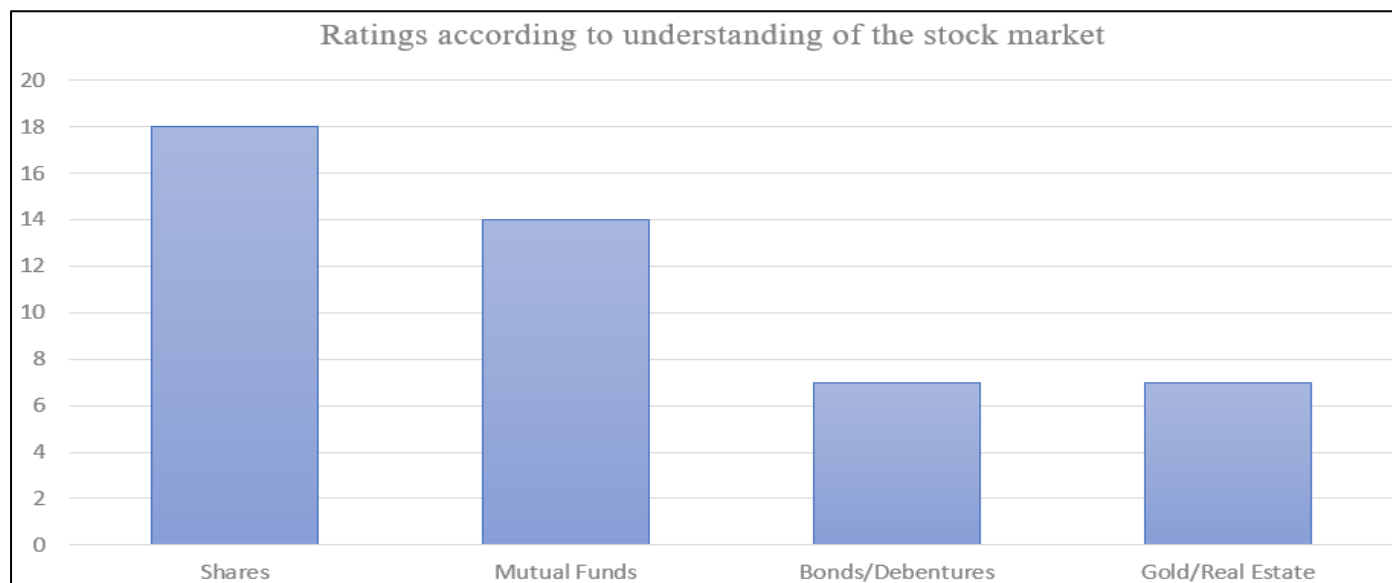


Fig 2 Ratings According to Understanding of the stock Market

- Interpretation:**

The findings reveal that only 25.90% of respondents believe they have a good understanding of the stock market, showing that in-depth knowledge is limited to a smaller group. The largest share, 35.20%, reported having only basic knowledge, suggesting that many respondents are aware of

the stock market but lack deeper insights. Additionally, 31.50% indicated very limited knowledge, highlighting a significant gap in comprehension. A small proportion, 7.40%, admitted to having no knowledge at all. Overall, while awareness exists among most respondents, the results emphasize the need to strengthen financial literacy and develop a more thorough understanding of the stock market.

Table 3 Do you Currently Invest in the Stock Market?

| Option            | No. of Respondents | Percentages |
|-------------------|--------------------|-------------|
| Yes, regularly    | 14                 | 25.90%      |
| Yes, occasionally | 20                 | 37.00%      |
| Not at all        | 20                 | 37.00%      |

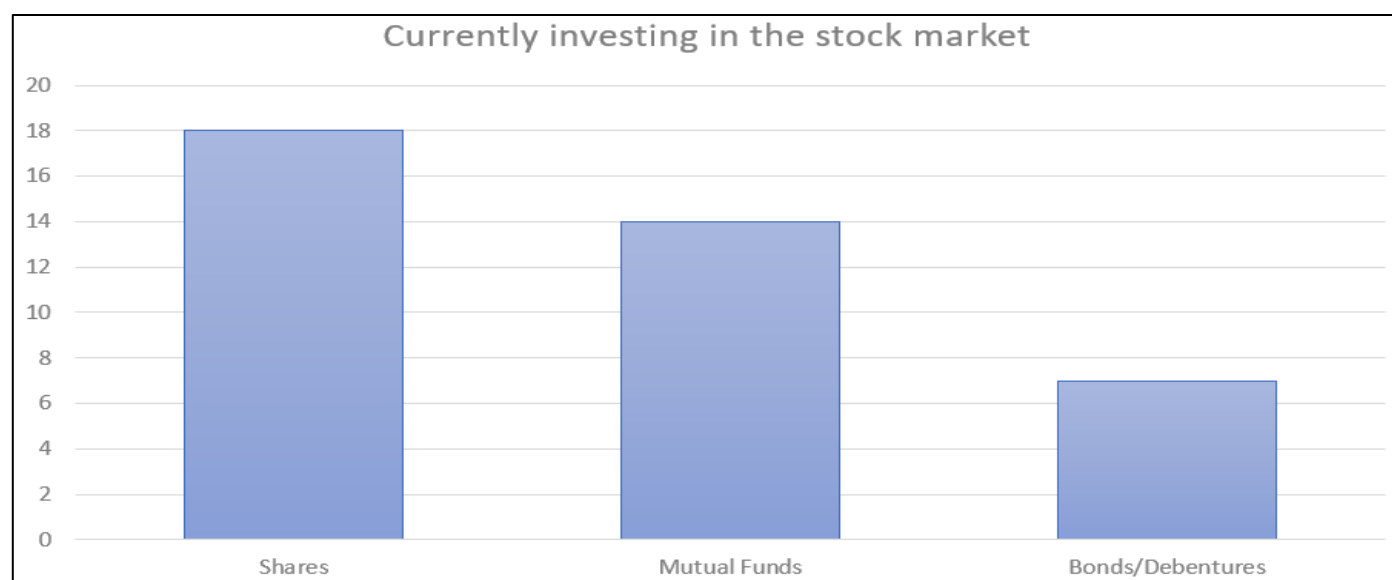


Fig 3 Currently Investing in the Stock Market

- Interpretation:**

The responses show that 25.90% of individuals invest in the stock market on a regular basis, reflecting a committed group of investors. A slightly larger share, 37.00%, stated that they invest occasionally, suggesting participation that is

irregular or limited. On the other hand, an equal proportion of 37.00% reported that they do not invest at all. These results highlight that while there is a fair level of engagement with the stock market, a significant portion of people remain either inactive or hesitant to participate.

Table 4 If yes, Which Investment Options do you Prefer?

| Option           | No. of Respondents | Percentages |
|------------------|--------------------|-------------|
| Shares           | 18                 | 36.70%      |
| Mutual Funds     | 14                 | 28.60%      |
| Bonds/Debentures | 7                  | 14.30%      |
| Gold/Real Estate | 7                  | 14.30%      |
| Others           | 3                  | 6.10%       |

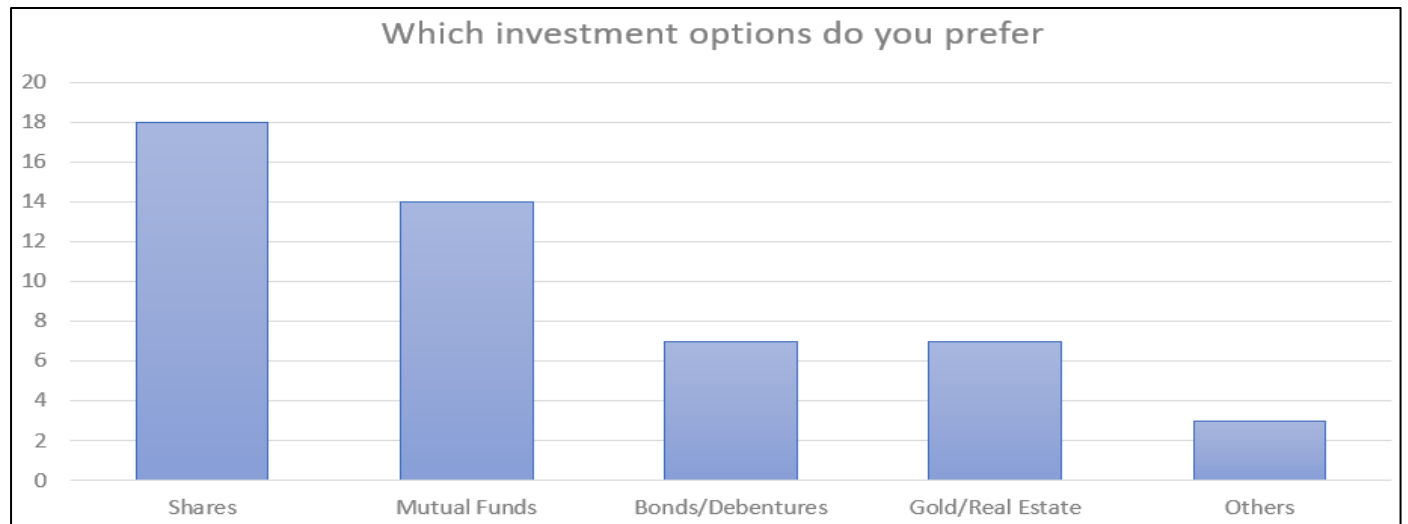


Fig 4 Which Investment Options Do You Prefer

- Interpretation:**

The findings indicate that 36.70% of respondents prefer investing in shares, making it the most popular investment option. Mutual funds are the second most common choice, with 28.60% of respondents opting for them. Investments in

bonds or debentures and in gold or real estate are equally chosen by 14.30% each, reflecting moderate preference for these avenues. A smaller share of 6.10% of respondents reported investing in other options. Overall, the data suggests that equity investments are most favoured, while traditional and alternative avenues attract comparatively fewer investors.

Table 5 What Motivates You to Invest?

| Options               | No. of respondents | Percentage |
|-----------------------|--------------------|------------|
| Higher returns        | 17                 | 31.50%     |
| Long-term savings     | 30                 | 55.60%     |
| Tax benefits          | 10                 | 18.50%     |
| Peer/Family influence | 7                  | 13%        |
| Professional advice   | 7                  | 13%        |

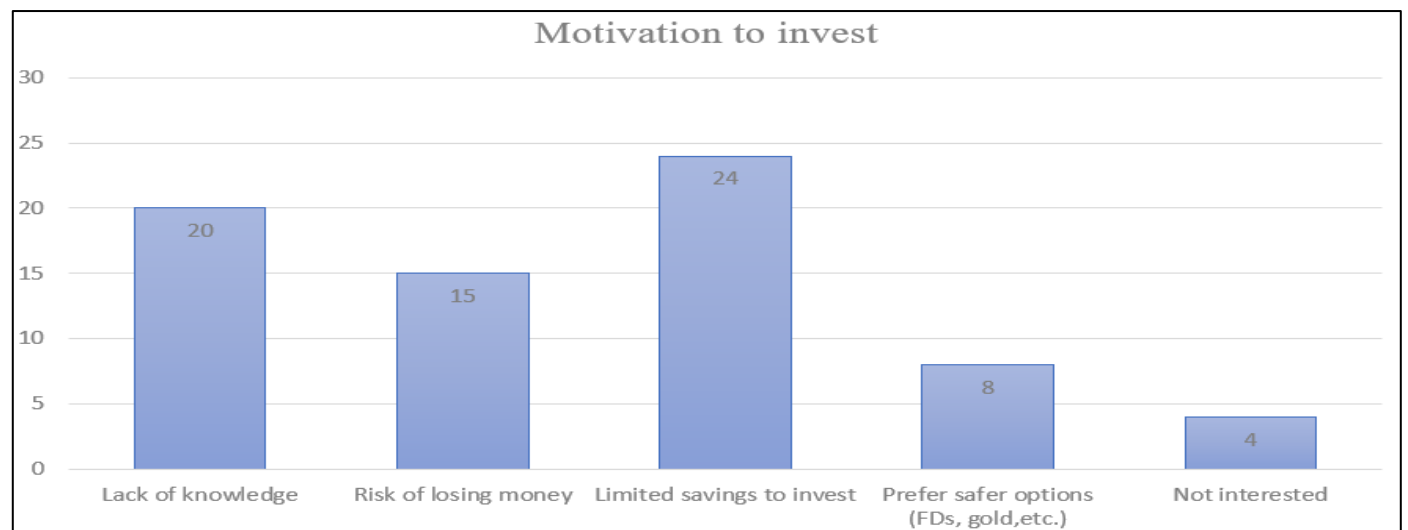


Fig 5 Motivation to Invest

• **Interpretation:**

The results show that long-term savings is the primary motivator for investment, with 55.60% of respondents considering it as their main reason. Higher returns are the next major factor, influencing 31.50% of respondents. Tax benefits motivate 18.50% of individuals, while peer or family

influence and professional advice play a relatively smaller role, each accounting for 13% of responses. Overall, the data highlights that investors are largely driven by the goal of securing long-term financial stability, while short-term benefits and external influences are less significant motivators.

Table 6 What Prevents you From Investing in the Stock Market?

| Options                               | No. of respondents | Percentage |
|---------------------------------------|--------------------|------------|
| Lack of knowledge                     | 20                 | 37.00%     |
| Risk of losing money                  | 15                 | 27.80%     |
| Limited savings to invest             | 24                 | 44.40%     |
| Prefer safer options (FDs, gold etc.) | 8                  | 15%        |
| Not interested                        | 4                  | 7%         |

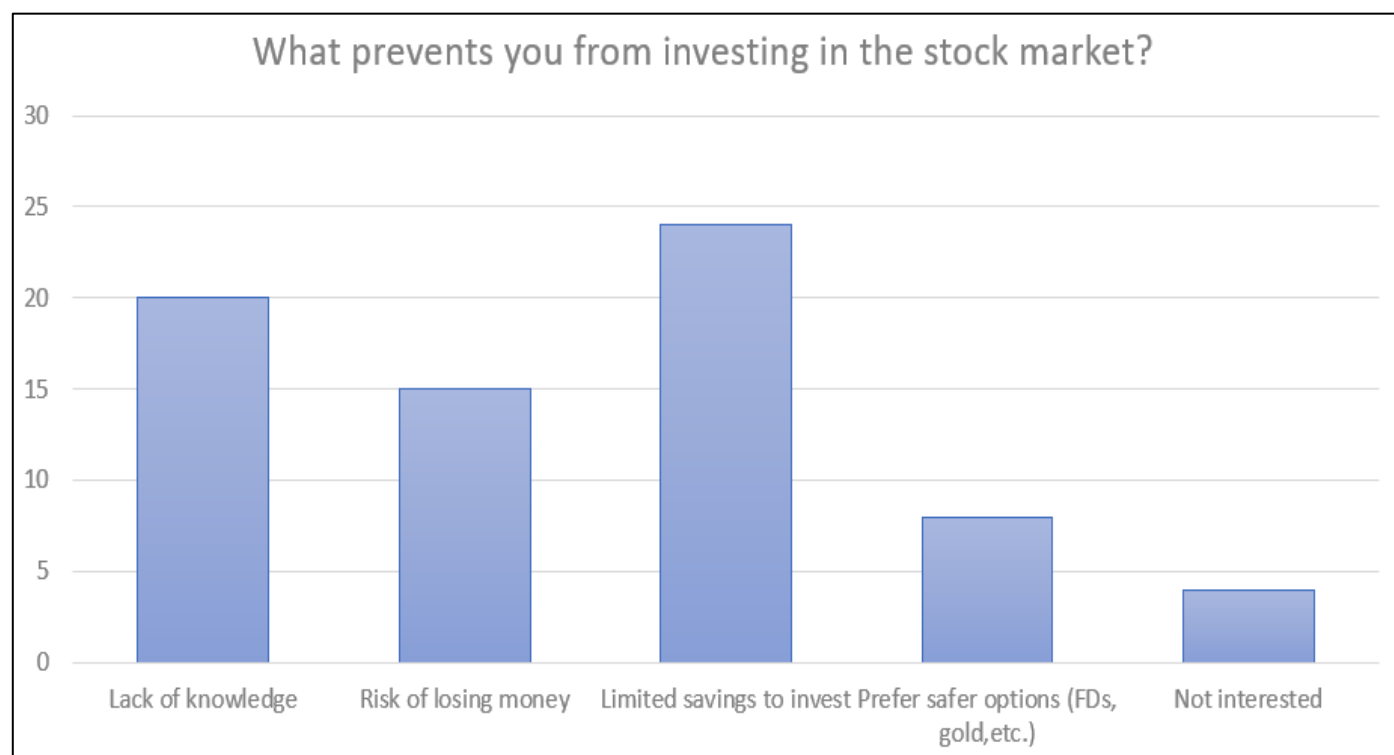


Fig 6 What Prevents you From Investing in the Stock Market

• **Interpretation:**

The data indicates that limited savings to invest is the most common barrier, with 44.40% of respondents identifying it as the main reason for not investing in the stock market. Lack of knowledge also plays a major role, as noted by 37.00% of respondents, followed by the fear of losing money, which discourages 27.80%. Additionally, 15% of individuals prefer safer investment avenues such as fixed deposits or gold, while a smaller group of 7% expressed no interest in investing at all. These findings suggest that financial constraints, inadequate awareness, and perceived risks are the primary factors preventing wider participation in stock market investments.

### III. SUMMARY OF FINDINGS

The survey shows that most employees of JSW Steels Ltd are aware of the stock market, though their level of understanding varies. While about two-thirds of the

respondents are familiar with the market, only one-fourth possess strong knowledge, and a majority fall under the category of having just basic or limited awareness. This points to a gap in financial literacy.

With regard to participation, nearly two out of three employees invest either regularly or occasionally, whereas more than one-third do not engage in stock market investments at all. Among the investment options, shares are the most preferred, followed by mutual funds, while bonds, real estate, and other alternatives receive less interest.

The key factor encouraging employees to invest is long-term savings, supported by the desire for higher returns. Tax benefits, professional advice, and peer or family influence play a comparatively minor role in shaping decisions.

At the same time, significant barriers exist. Limited savings, inadequate knowledge, and fear of financial loss are

the most common reasons preventing employees from investing. A smaller group prefers safer traditional choices such as fixed deposits or gold, and a few expressed no interest in investing whatsoever.

In summary, employees show a fair level of awareness and moderate participation in the stock market, but challenges related to knowledge, financial capacity, and risk perception continue to limit broader and more confident involvement.

#### IV. LIMITATIONS OF THE STUDY

This research, while insightful, is subject to certain limitations. First, the sample size was confined to 54 employees, which may not capture the perspectives of the entire workforce. Since the study was limited to JSW Steels Ltd, the findings cannot be directly generalized to employees of other organizations or industries.

The data was gathered through self-reported questionnaires, which depend on the honesty and personal judgment of respondents. This could introduce bias or incomplete accuracy in the responses. Additionally, the variation in employees' financial knowledge and prior investment experience may have influenced how questions were understood and answered, making precise measurement of awareness challenging.

The study was also carried out within a short time span, which restricted the opportunity to conduct an in-depth analysis or observe long-term changes in investment patterns. Finally, external factors such as market conditions, economic fluctuations, or company-led financial literacy programs were not considered, even though they may significantly affect investment decisions.

#### V. CONCLUSION

The research indicates that employees of JSW Steels Ltd possess a fair level of awareness about the stock market, yet their overall understanding remains relatively shallow, with many holding only basic or partial knowledge. Investment participation is moderate, as a good number of employees invest either regularly or occasionally, while a notable group has not ventured into the market at all. Among the preferred choices, shares and mutual funds dominate, reflecting a stronger inclination toward equity-related instruments, whereas traditional options like bonds, gold, and real estate attract relatively fewer investors.

The analysis also shows that long-term financial security is the key driver for investment, with the prospect of higher returns acting as a secondary motivator. On the other hand, constraints such as insufficient savings, limited knowledge, and fear of financial loss act as major deterrents. These factors highlight the urgent need for enhanced financial literacy programs and supportive mechanisms that can empower employees to make sound investment decisions.

Overall, the study concludes that while awareness and participation exist to some extent, strengthening financial

education and addressing risk-related concerns could significantly boost employee confidence in stock market investment. Such improvements would not only contribute to individual financial growth and security but also support the development of the wider financial ecosystem.

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