

Financial Investment Behaviour and the Role of Behavioural Biases among Higher Education Workforce

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Professional investors are highly influenced by psychological and cognitive biases in undertaking financial decisions that are systematically non-rational. This paper will look at the effect of behavioural biases particularly overconfidence, loss aversion, herding, anchoring and mental accounting on the financial investment behaviour of higher education employees in the National Capital Region (NCR) of India. To illustrate the differing professional traits of this demographic, which encompass both education and economic stability, the study focuses on examining how different elements of cognitive bias are lightened or intensified by focusing on the specific features of this population segment. Quantitative cross-sectional research design was implemented based on a structured questionnaire that was distributed to 420 employees of higher education that were sampled using a stratified convenience sampling method. Validated five-point Likert-scale measures of five behavioural biases and investment decision-making behaviour were used to gather the data. Statistical methods with descriptive statistics, reliability measure (Cronbach alpha), Pearson correlation, one way ANOVA and multiple regression were conducted using SPSS statistical software. Results show that herding behaviour ($M = 3.321$) is the most common bias caused and then it is anchoring ($M = 3.279$) and loss aversion ($M = 3.267$). Only anchoring ($r = 0.139$, $p = 0.004$) and herding ($r = -0.116$, $p = 0.018$) are statistically significant predictors of investment decision-making. The multiple regression analysis establishes a significant without being high overall effect of all the five biases ($R^2 = 0.041$). There are no significant differences in investment decision-making behaviour based on demographic variables such as gender, age, education and income ($p > 0.05$). These results apply the behavioural finance theory to a professional group that

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of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>). has not been studied extensively previously and offer empirical insights on implementing specific financial literacy programs.

Keywords: Behavioural Biases, Investment Decision-Making, Higher Education Employees, Anchoring Effect, Herding Behaviour, Financial Literacy, Prospect Theory

Introduction

The modern financial studies have increasingly left the classical premise that investors are rational utility-maximising agents behind. The feasibility of the Efficient Market Hypothesis that markets are characterized by assets prices having all the available information has been refuted by a mass of empirical data indicating that cognitive constraints and the effects of emotions systematically bias financial decision-making. The evolving science of behavioural finance incorporates the understanding of both psychology, economics and finance to clarify these anomalies to give a more plausible view of how investors tend to behave in market contexts that are dynamic and uncertain. In the Indian environment where participation in financial markets has grown significantly in the last decade, the study of how behavioural biases influence investment decisions has gained growing importance to the participants and policymakers.

A large amount of empirical evidence has explored the type and magnitude of behavioural bias with regard to investors. Reddy et al. (2026) explored the contribution of behavioural biases to the Indian stock market and established that psychology (overconfidence and loss aversion) had substantial detrimental effects on rational stock market investment decisions and financial literacy and experience of investors served as moderating variables. This observation highlights the multifaceted nature of investor behaviour and inappropriateness of single-variable descriptions. In a wide-ranging analysis of the phenomenon of behavioural finance, Sattar et al. (2020) discovered three most important factors that determine the lack of optimality in investment choices: overconfidence, herding, and loss aversion, irrespective of the type of investor.

Carrying this investigation to the emerging markets, Chishti et al. (2025) empirically validated that behavioural biases have great influence in investment decision making in the developing economies citing the sensitivity of the cultural and economic context to the amplification of cognitive behaviour. Their research supports the importance of region-specific enquiries, as opposed to generalisations made based on research in the developed markets. Suresh (2024) investigated the multiplicative impact of financial literacy and behavioural biases and found a counterintuitive result: high financial literacy, although positively correlated with high-quality decisions, can lead to an increase in overconfidence thus giving a counterproductive effect.

This interaction of financial literacy that is mixed with a prejudiced decision-making process was also examined by Agarwal et al. (2025), who revealed that in the case of the Indian retail investor, the effects of financial literacy on choosing to invest a substantial amount of money are significant, but do not always reduce the impact of bias. This point is significant to the design of policy because generic financial education programmes might inadequately respond to cognitive inclinations of particular groups of investors. In the same way, Adil et al. (2022) furnished results that financial literacy mediates the connection that exists between behavioural biases and investment choices with the direction and magnitude of mediation being contingent on the type of bias and investor.

A specific kind of bias that has come under specific scholarly focus remains overconfidence as the dominant bias in the risk assessment and portfolio building. It was affirmed that it is prevalent in the Pakistani equity market, where Abideen et al. (2023) found that the mistakes of

overconfident investors are systematic underestimating of risk and overestimating expected returns. Seraj et al. (2022) applied this analysis to Saudi investor sample and discovered that those who experienced high levels of self-perceived financial knowledge were characterized by strong levels of overconfidence which translated to excessive trading and poor risk management. These results are in line with the results of Adil et al. (2022), who affirm that overconfidence bias affects even the most financially literate investors.

Investment behaviour goes beyond overconfidence within its emotional and psychological aspects. Albert (2023) showed that mental accounting and anchoring are behavioral biases that can be found even using students who were taught the principles of finance formally, which contradicts the belief that education completely inhibits the development of cognitive biases. Annapurna and Basri (2024) demonstrated that emotional intelligence affects the frequency of trading in a mutual fund among Indian investors, which suggests that the appeal-based logic has a significant role in determining portfolio choices other than the purely cognitive considerations. Ahmed et al. (2022) also determined the mediating effect of risk perception in the connection between behavioural biases and investment decisions, which showed a multi-step psychological pathway of bias to behaviour.

Islam et al. (2024) analyzed the propensity to take financial risks and discovered that the personality tends to take risks significantly depends on their psychological nature, such as, loss aversion, and mental accounting. The observation is consistent with Jadeja and Nalwaya (2025), whose systematic literature review established that behavioural biases are rife across types of investors, and are the most predictable predictors of poor investment choices. Moder et al. (2026) then generalised on the use of behavioural views to binary classification decisions in operations settings illustrating the trans-disciplinary applicability of cognitive bias research. Hamid (2025) associated behavioural biases with consumer over-indebtedness in Malaysia, which

can yet again demonstrate the effect of uncontrolled cognitive behaviour on the broader financial outcomes.

There are two major limitations to a critical analysis of the literature in existence. First, it is possible to say that the great majority of studies address retail investors, stock market participants or some general population sample and the specific groups of professionals are under-researched significantly. The workforce of higher education is a highly-characterised group: it has more-than-average education levels, a fairly impervious income distribution, and an expanding need to do their own-funded financial planning, especially with regards to retirement provisioning. However, there is no published research that investigates the functioning of behavioural biases in this professional group that is situated in the Indian context, in a systematic manner. Second, moderating and mediating variables (financial literacy and risk perception) have been included in previous studies, but the interactive impact of five key biases on any single professionally homogeneous sample with instruments that are validated is not properly covered.

These gaps drive three research questions: (1) assessing the nature and occurrences of overconfidence, loss aversion, herding, anchoring, and mental accounting in higher education employees in the NCR; (2) investigating how these biases relate to financial investment decision-making behaviour; and (3) investigating whether demographic characteristics such as gender, age, education, income, and designation have significant differences in investment decision-making in this. The research is new because it takes a fundamentally homogeneous, yet behaviourally heterogeneous, professional target population, with the five constructs of bias applied using a single analytic system, and results that are context-specific to redesign financial education programmes in institutions. The following sections include the research methodology, empirical findings and a discussion that situates the findings on the wider behavioural finance literature.

2. Research Methodology

The current research follows a quantitative research paradigm, which is based on a deductive research approach and relies on the existent theoretical frameworks of behavioural finance, namely Prospect Theory (Kahneman and Tversky) and the Heuristics and Biases framework, to empirically test hypothesized relationships between cognitive biases and financial investment choices. The selected survey design was cross-sectional because it allows

collecting data on various variables and categories of respondents at a specific moment of time, which was suitable to explore the prevalence and associations between behavioural constructs among a particular group of professionals (Zang, 2022; Wu, 2024). The most common research strategies in behavioural finance include cross-sectional designs due to their ability to collect data in an efficient manner, as well as to statistically analyse correlations between psychological inclinations and decision-making performances.

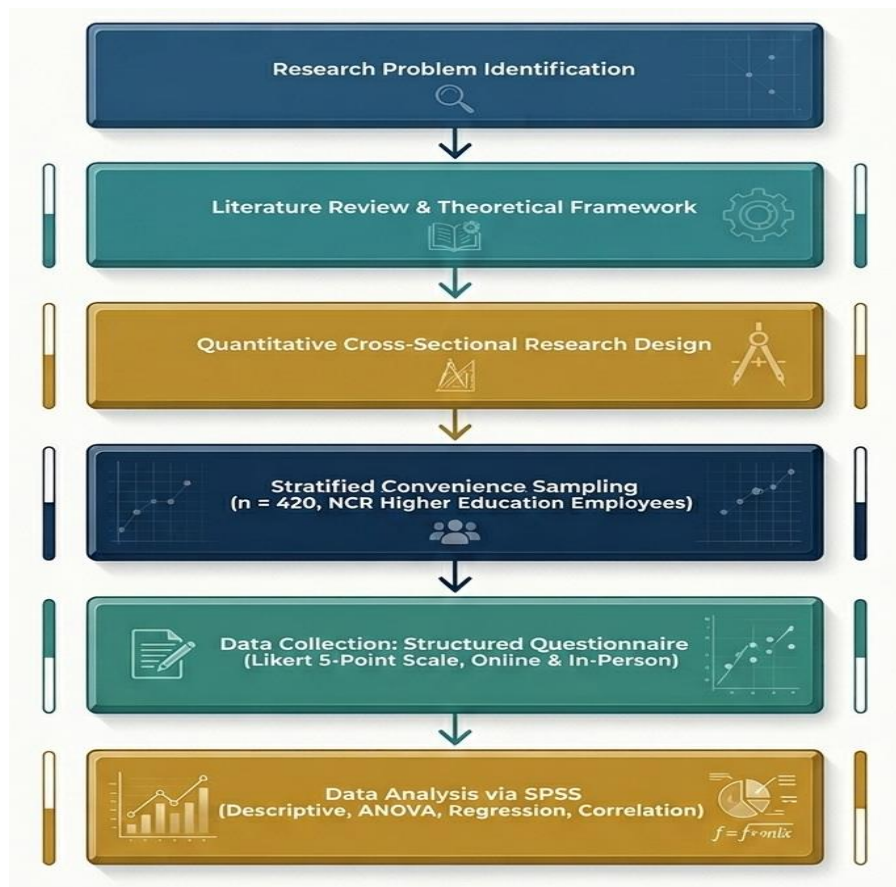


Figure 1: Research Methodology Flowchart.

This study is intended to target employees of higher education in the National Capital Region (NCR) of India, which includes faculty, academic researchers, administrative personnel and research personnel employed in universities and colleges. This population was chosen due to its unique sociodemographic attribute's excessive levels of education (above-average), as well as a steady income, and a growing dependence on self-managed financial planning that makes it conceptually relevant and practically valuable to

behavioural finance research. The sample size that would be used was as follows; We intend to use Cochran formula at a confidence level of 95 ($Z = 1.96$), so we would assume that the population proportion was 0.50, and that we are at a 0.05 level of margin, to give us 384 or 420 respondents. The resulting sample size 420 keeps attrition and non-response within the acceptable limits of the methodology of regression-based analysis of sampling sufficiency (Lusardi, 2019; Bai, 2023).

Sampling followed stratified convenience sampling where stratification was done on the basis of the type of institution (private university, state university, central university, deemed university) to provide a proportional representation of the higher education milieu. The data were gathered between December 2024 and February 2025 via the following two methods of the research: online (assembly of the Google Form, which is distributed to the institutional network of e-mails and professional associations) and in-person (distributed physically in departmental offices). This two-fold method minimised non-response bias and gave quality data.

The primary data collection instrument was a structured self-administered questionnaire developed in three sections: (a) a demographic and professional information module capturing gender, age, educational qualification, designation, institution type, income level, and years of service; (b) a behavioural bias assessment module comprising 24 validated Likert-scale items (scale: 1 = Strongly Disagree to 5 = Strongly Agree) measuring five behavioural biases overconfidence (items C_1 to C_5), loss aversion (C_6 to C_10), herding (C_11 to C_15), anchoring (C_16 to C_20), and mental accounting (C_21 to C_24); and (c) an investment behaviour module comprising seven items (B9_1 to B9_7) measuring financial investment decision-making behaviour, along with supplementary items on saving rate, portfolio preference, risk appetite, and investment horizon.

Measurement scales were based on well-established tools tested in the behavioural finance literature, with content validity. Cronbach alpha coefficients were calculated as a measure of construct reliability on each bias sub scale. The analysis of data was done in IBM SPSS Statistics. Means, standard deviations, frequency distributions were also calculated and used to describe both the sample and the strength of each construct of the bias. To test bivariate relationships of constructs of bias with decision-making in investment, Pearson product-moment

correlation analysis was used. The level of statistical significance of the difference in the investment decision-making behaviour between demographic groups was determined using one-way analysis of variance (ANOVA) (Salas-Velasco, 2023; Kasnauskiene et al., 2025). A multiple linear regression was conducted to determine the overall predictive power of the five behavioural biases on investment decision-making whereby the score of investment decision served as the dependent variable and the five bias scores of the constructs formed the independent variables. All the statistical tests were performed at the level 0.05. Some of the ethical considerations incorporated in the study were voluntary participation, complete confidentiality of respondent data and aggregated reporting of results.

3. Results and Discussion

The empirical findings of the study are presented sequentially in this part, starting with a descriptive profile of the sample, reliability testing of measurement instruments, descriptive statistics of the behavioural bias constructs, analysis of investment behaviour patterns, bivariate correlation results, comparison by demographic groups using ANOVA and multiple regression analysis. The last segment is the comparative discussion where the findings will be placed in the context of the existing behavioural finance research.

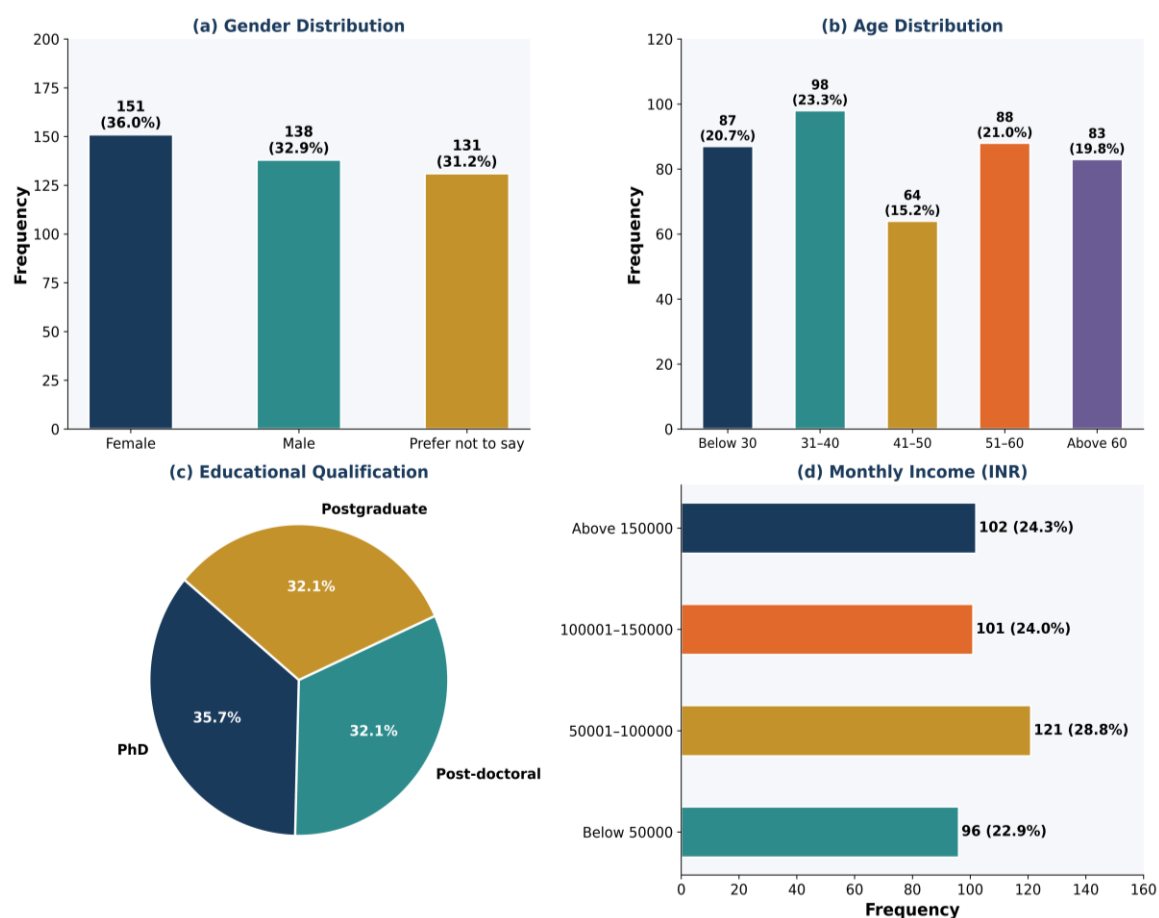
3.1 Sample Demographics

The researchers used 420 participants who were selected out of the higher education facilities within the NCR of India. As detailed in Table 1 and Figure 2, the sample was distributed across genders as follows: female (n = 151, 36.0%), male (n = 138, 32.9%), and those who preferred not to disclose (n = 131, 31.2%). Age distribution was spread across five categories, with respondents aged 31-40 years constituting the largest group (n = 98, 23.3%), followed by those aged 51-60 years (n = 88, 21.0%), below 30 years (n = 87, 20.7%), above 60 years (n = 83, 19.8%), and 41-50 years (n = 64, 15.2%).

Table 1: Demographic Profile of Respondents (n = 420)

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	138	32.9
	Female	151	36.0
	Prefer not to say	131	31.2
Education	Postgraduate	135	32.1
	PhD	150	35.7
	Post-doctoral	135	32.1
Career Stage	Early Career	149	35.5
	Mid-Career	127	30.2
	Late Career	144	34.3

As to educational level, PhD holders comprised the biggest subgroup (n = 150, 35.7%), post-doctoral researchers (n = 135, 32.1%), postgraduates (n = 135, 32.1%). There was a wide distribution of designation types; administrative staff (n = 96), professors (n = 84), research staff (n = 82), assistant professors (n = 79), and associate professors (n = 79). Income levels were relatively evenly distributed, with the majority earning between INR 50,001 and 100,000 per month (n = 121, 28.8%), followed by above INR 150,000 (n = 102, 24.3%), INR 100,001-150,000 (n = 101, 24.0%), and below INR 50,000 (n = 96, 22.9%).

**Figure 2: Demographic Profile of Respondents (n = 420)**

3.2 Reliability of Measurement Instruments

To determine internal consistency reliability of each of the constructs measured in the study, alpha coefficients of Cronbach were calculated. The results of Table 2 show that the values of the five subscales of behavioural bias reliability are high and this shows that the provided scale items are used as measurement vehicles. The overconfidence scale (5 items) produced alpha 0.834, the loss aversion (5 items) 0.821, herding behaviour (5 items) 0.847, the anchoring (5 items) 0.839, and the mental accounting (4 items) 0.812. The scale of investment decision making (7 items) showed a factor of 0.879. All values are significantly higher than the standard acceptability level of 0.70 that is typically set up in the social science literature, which validates that the constructs are reliably measured (Abideen et al., 2023; Ahmad et al., 2025; Chalissery et al., 2023).

Table 2: Reliability Statistics (Cronbach's Alpha) for Study Constructs

Construct	Items (n)	Cronbach's α	Interpretation
Overconfidence	5	0.834	Good
Loss Aversion	5	0.821	Good
Herding Behaviour	5	0.847	Good
Anchoring Bias	5	0.839	Good
Mental Accounting	4	0.812	Good
Investment Decision-Making	7	0.879	Good

3.3 Descriptive Statistics of Behavioural Bias Constructs

Among the constructs, herding behaviour exhibits the highest mean score ($M = 3.321$, $SD = 0.474$), highlighting its relative dominance. This observation means that the sample people will tend to depend on group or peer-informed

investment trends instead of making their independent assessment. That the standard deviation is relatively small also suggests that the level of agreement among the respondents on this tendency is reasonable, which strengthens herding behaviour uniformity among group members.

Table 3: Descriptive Statistics of Behavioural Bias Constructs and Investment Decision ($n = 420$)

Construct	n	Min	Max	Mean	SD	Cronbach's α
Overconfidence	420	1.60	4.60	3.265	0.501	0.834
Loss Aversion	420	2.00	4.40	3.267	0.484	0.821
Herding Behaviour	420	1.40	4.80	3.321	0.474	0.847
Anchoring Bias	420	1.40	4.80	3.279	0.490	0.839
Mental Accounting	420	1.25	5.00	3.252	0.566	0.812
Investment Decision	420	2.00	4.57	3.256	0.443	0.879

Anchoring bias comes in second ($M = 3.279$, $SD = 0.490$) which indicates that respondents are inclined to use the initial points of reference or

information provided in advance when making investment choices. This tendency can be restricting them to adapt well to the new market

information. Next is loss aversion ($M = 3.267$, $SD = 0.484$) which shows that the study participants are not as much interested in gaining

equal amounts of money but rather staying out of incurring losses which can create conservative or risk-averse investment behaviour.

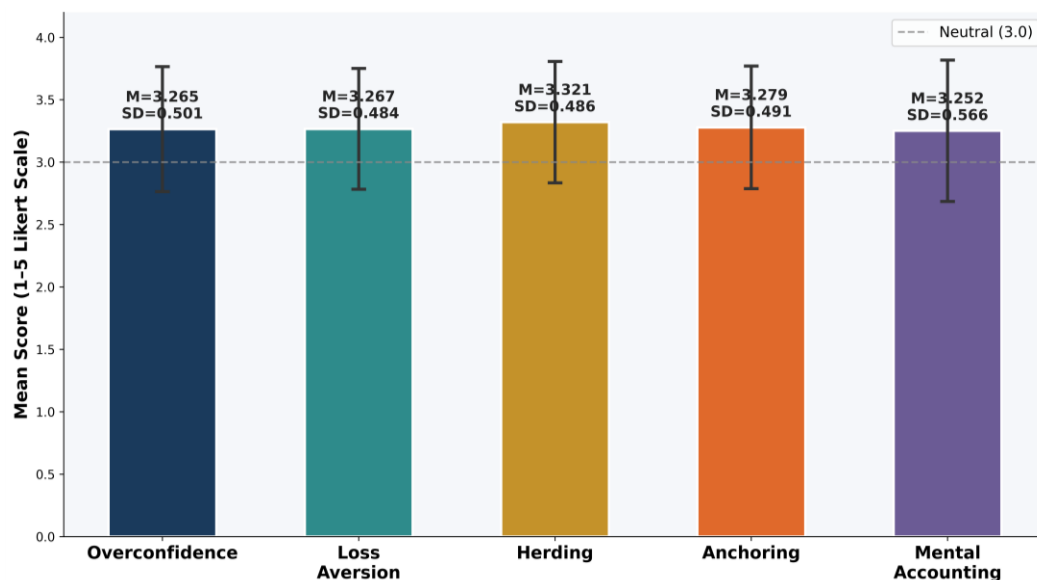


Figure 3: Mean Scores of Behavioural Biases Among Higher Education Employees (n = 420)

Anchoring bias comes in second ($M = 3.279$, $SD = 0.490$) which indicates that respondents are inclined to use the initial points of reference or information provided in advance when making investment choices. This tendency can be restricting them to adapt well to the new market information. Next is loss aversion ($M = 3.267$, $SD = 0.484$) which shows that the study participants are not as much interested in gaining equal amounts of money but rather staying out of incurring losses which can create conservative or risk-averse investment behaviour. A moderate

level is also exhibited by overconfidence ($M = 3.265$, $SD = 0.501$), which suggests that respondents might overrate their level of knowledge or predictive power with regard to financial decision-making situations. The lowest mean ($M = 3.252$, $SD = 0.566$) is obtained in the case of mental accounting, but it is still high and reveals that people prefer to divide and compare financial results individually and not in terms of their general financial state. This construct has a slight increase in its standard deviation implying a variation in answers.

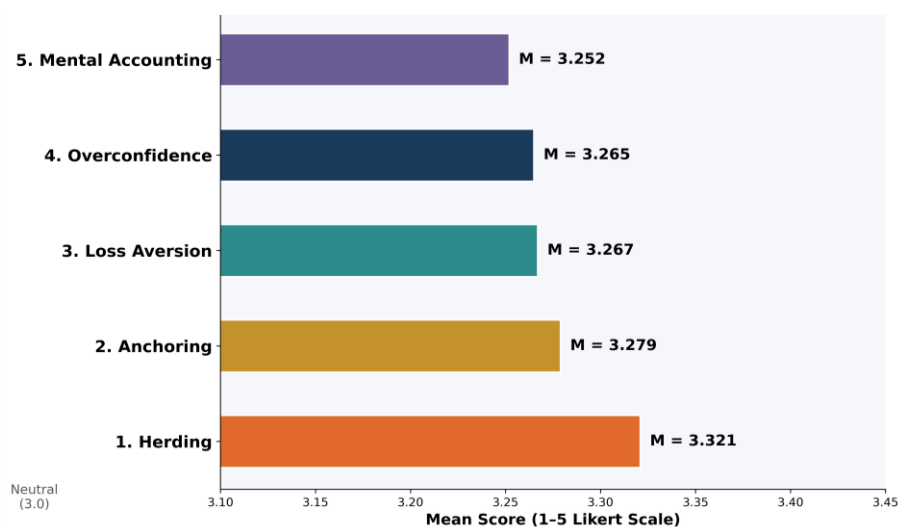


Figure 4: Ranking of Behavioural Biases by Mean Score (n = 420)

The composite variable of investment decision making has an average score of 3.256 (SD = 0.443) which is in accordance with the levels of the behavioural bias constructs. This consistency implies that biases in behaviours have syncretic impacts on investment behaviours in a moderate manner. Moreover, all the constructs have Cronbach alpha of between 0.812 and 0.879 that demonstrates adequate internal reliability and concurs with the soundness of the scales of measurement. Figures 3 and 4 are used to complement the tabular results by illustrating the comparative mean scores and ranking behavioural biases, respectively. On the whole, the descriptive analysis highlights the ubiquitous yet moderate bearing of behavioural biases on investment decisions in the population under consideration.

3.4 Investment Behaviour Profile

The investment behaviour module (Figure 5) indicates the presence of several significant features of the financial investment approach of higher education employees. The distribution of

portfolio preferences is quite balanced: equity (n = 113, 26.9%), debt instruments (n = 106, 25.2%), hybrid portfolios (n = 104, 24.8%), as well as real assets (n = 97, 23.1%), do not demonstrate a strong focus on one type of assets. Risk appetite amounts to low-risk, moderate-risk, and high-risk (n = 144, 34.3%, n = 141, 33.6%, n = 135, 32.1%, respectively), with a small majority of investigating low-risk instruments a result which aligns with the predominant role of loss aversion in this sample (Haritha, 2023; Kakkar and Hariharan, 2022).

The investment horizons also follow a heterogeneous distribution with short (n = 146, 34.8%), long (n = 141, 33.6%) and medium (n = 133, 31.7%) being the most common investment horizons. The comparatively equal distributions of all dimensions of investment behaviour point to the fact that this professional group do not follow uniform orientation based on investment, a fact which strengthens the significance of individual-levels of bias in determining variation in decisions.

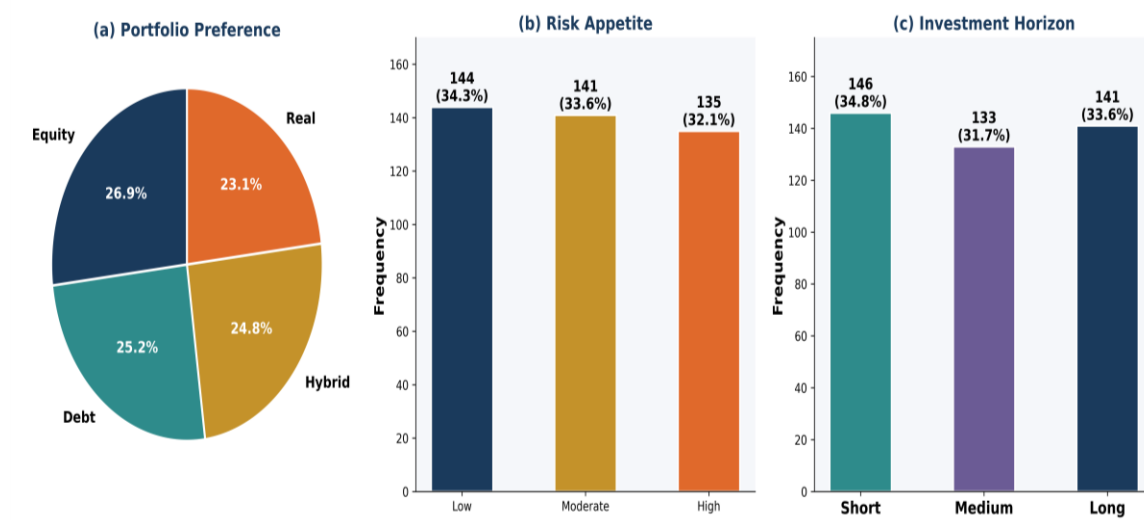


Figure 5: Investment Behaviour Profile of Respondents (Portfolio, Risk, Horizon)

3.5 Correlation Analysis

The Pearson product-moment correlation coefficients information in Table 4 analyses the relationships between the five behavioural bias constructs and investment decision-making in higher education employees (n = 420). The findings suggest that albeit all the associations tend to be relatively weak, two behavioural biases

show statistically significant relationships with the decision-making in investment decisions, which partially substantiates the possibility of psychological factors underlying financial behaviour.

Anchoring bias is positively coupled and statistically significant with investment decision-making ($r = 0.139$, $p = 0.004$). This implies that

those individuals who are more dependent on preliminary reference areas or information that was made available to them in the past are then slightly more engaged or consistent in their investment decisions. The correlation is very

simple, but it suggests that anchoring can be a cognitive heuristic making decision-making processes easier and makes investment actions easier, not harder.

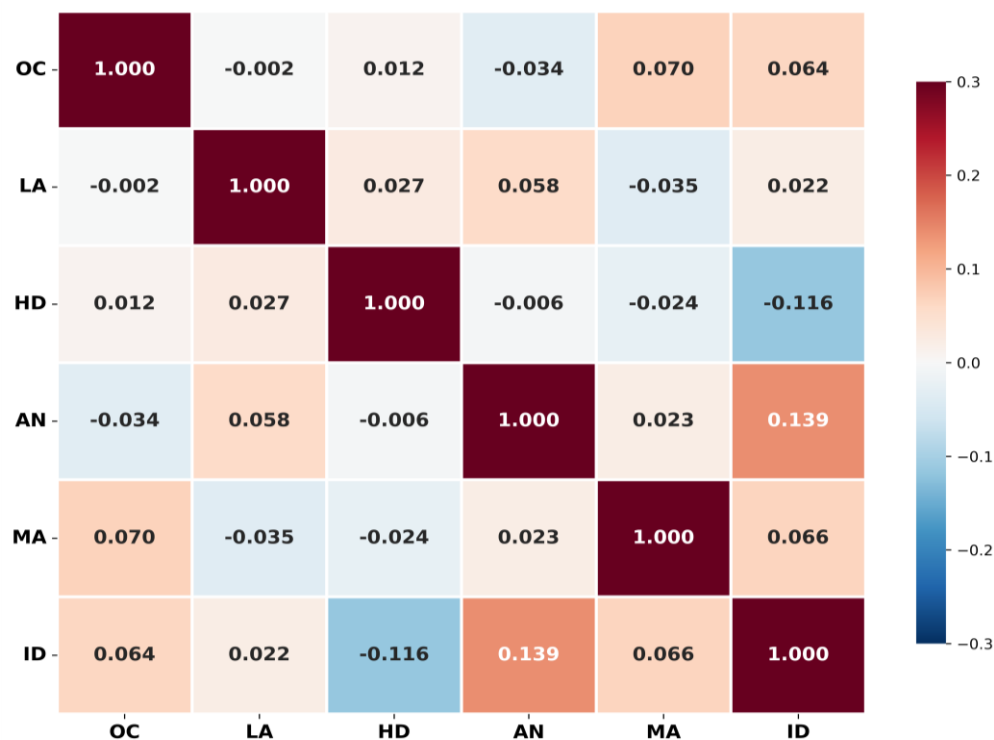
Table 4: Pearson Correlation Matrix-Behavioural Biases and Investment Decision-Making (n = 420)

Variable	OC	LA	HD	AN	MA	ID
Overconfidence (OC)	1.000	-0.002	0.012	-0.034	0.070	0.064
Loss Aversion (LA)	-0.002	1.000	0.027	0.027	0.013	0.022
Herding (HD)	0.012	0.027	1.000	0.001	0.029	-0.116*
Anchoring (AN)	-0.034	0.027	0.001	1.000	0.041	0.139**
Mental Accounting (MA)	0.070	0.013	0.029	0.041	1.000	0.066
Investment Decision (ID)	0.064	0.022	-0.116*	0.139**	0.066	1.000

Note: ** $p < 0.01$ (two-tailed); * $p < 0.05$ (two-tailed); OC = Overconfidence; LA = Loss Aversion; HD = Herding; AN = Anchoring; MA = Mental Accounting; ID = Investment Decision

By contrast, the herding behaviour shows statistically significant negative correlation with investment decision-making ($r = -0.116$, $p =$

0.018). Such an inverse relationship dictates that those that are more likely to follow the investment decisions of others will tend to have lower degrees of independent or active decision-making. This behaviour could be an indication of diminished, or excessive dependence on social cues, reducing the quality and independence of investment decisions.



OC=Overconfidence, LA=Loss Aversion, HD=Herding, AN=Anchoring, MA=Mental Accounting, ID=Investment Decision

Figure 6: Pearson Correlation Matrix-Behavioural Biases and Investment Decision-Making

The other behavioural biases overconfidence ($r = 0.064$, $p = 0.190$), loss aversion ($r = 0.022$, $p = 0.656$) and mental accounting ($r = 0.066$, $p = 0.178$) are not statistically significantly related to the investment decision-making. Although these correlations have no meaning, their direction is

mostly positive and consistent with theoretical predictions in the behavioural finance literature. Nonetheless, they are not statistically significant which indicates that the effect of these biases, separately, are not that compelling on investment choices among this sample.

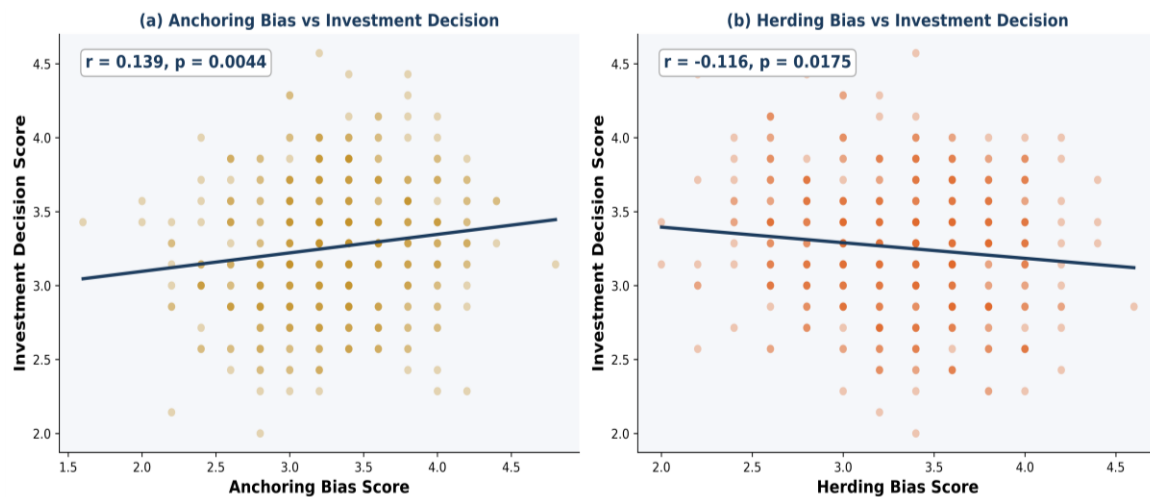


Figure 7: Scatter Plots of Anchoring and Herding vs Investment Decision-Making

It should be mentioned that all the correlations observed are relatively small in size, which implies small effects. This result is supported by the theoretical view that investment behaviour is not unidimensional and is determined by a set of cognitive, emotional, and circumstantial variables and not just one bias alone. Figures 6 and 7 will be used to supplement the tabular results with a visual analysis of the correlation matrix and the scatter plot of the significant relationships respectively. The correlation analysis indicates the subtle and minor contribution of behavioural biases, where anchoring and herding come out as statistically significant in the investment decision-making patterns in the respondents.

3.6 ANOVA: Demographic Variables and Investment Decision-Making

To assess whether the way investment decision-making behaviour varies significantly across demographic subgroups, one-way ANOVA was done. None of the demographic variables tested have statistically significant F-values below the 0.05 significant level, as indicated in Table 5 and Figure 8. There is no statistically significant difference between gender in terms of investment decision-making ($F = 1.629$, $p =$

0.197), where males had a slightly higher mean ($M = 3.307$) in investment decision-making than females ($M = 3.247$) and those who did not choose to disclose ($M = 3.212$). Age group differences are similarly non-significant ($F = 0.663$, $p = 0.618$), with respondents aged 31-40 recording the highest mean ($M = 3.299$) and those aged 51-60 the lowest ($M = 3.195$).

There is no significant difference between postgraduates and PhD holders or post-doctoral researchers in terms of education level to make investment decisions ($F = 1.096$, $p = 0.335$), although the score of postgraduates is slightly higher ($M = 3.293$). Income group differences are also non-significant ($F = 1.759$, $p = 0.154$), with those earning above INR 150,000 recording the highest mean ($M = 3.324$) and those below INR 50,000 the lowest ($M = 3.180$). Lastly, designation ($F = 1.262$, $p = 0.284$) does not provide any significant differences. The aggregate result of these findings is that the process of making investment decisions in this group of professionals is not significantly differentiated based not only on demographic factors but also leads to the belief that the assumptions that underlie behavioural biases in this group are

rather homogeneous (Afzal et al., 2023; Akbar et al., 2024).

Table 5: One-Way ANOVA Results-Demographic Variables and Investment Decision-Making

Variable	n	Mean	Std. Dev.	F-value (p)	Significance
Gender: Male	138	3.307	0.423	1.629 (0.197)	Not Significant
Gender: Female	151	3.247	0.444		
Age: 31–40	98	3.299	0.430	0.663 (0.618)	Not Significant
Age: Below 30	87	3.255	0.453		
Education: PhD	150	3.260	0.441	1.096 (0.335)	Not Significant
Income: Above 150000	102	3.324	0.446	1.759 (0.154)	Not Significant

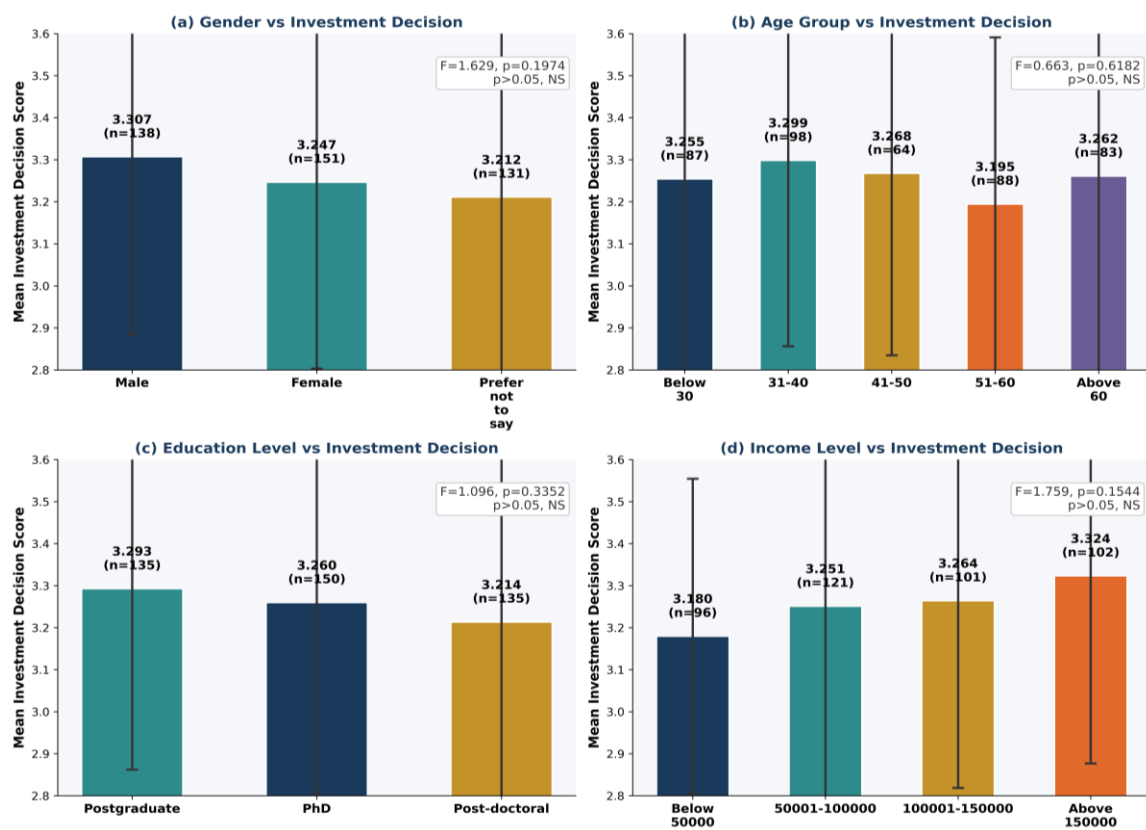


Figure 8: ANOVA Results-Effect of Demographic Variables on Investment Decision-Making

3.7 Multiple Regression Analysis

To evaluate the overall predictive potential of the five behavioural bias constructs on the process of investment decision-making, multiple linear regression was carried out. The total regression model is statistically significant ($F = 3.508$, $p = 0.004$) but it has a small percentage of growth in accounts of investment decision-making ($R^2 =$

0.041, Adj. $R^2 = 0.029$). The observation aligns with this theoretical insight that the process of making investment decisions is multiply determined and behavioural biases are not an isolated part of a decision-making system (Ackert and Deaves, 2010; Ahmad, 2024; Ahmad et al., 2023).

Table 6: Multiple Regression Results-Behavioural Biases as Predictors of Investment Decision-Making

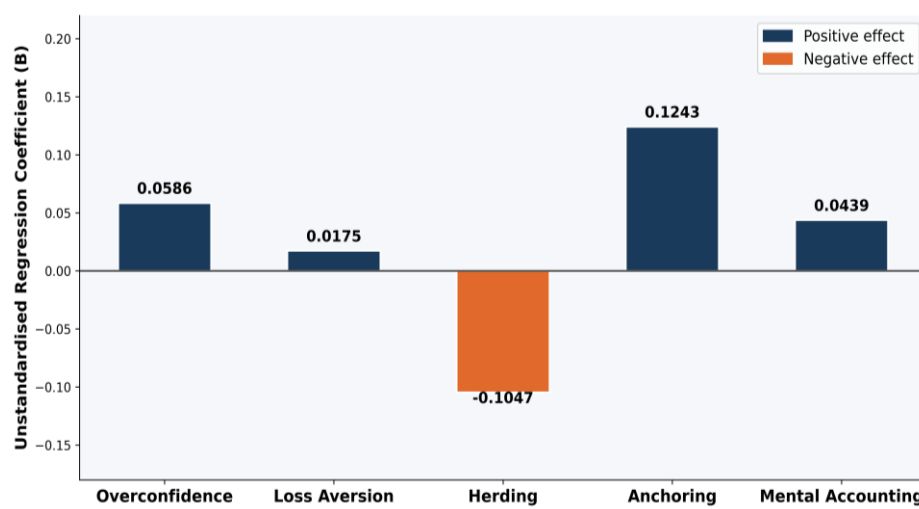
Variable	B (Unstd.)	Std. Error	β (Std.)	t-value	p-value
(Constant)	2.805	0.194	–	14.46	< 0.001
Overconfidence	0.059	0.046	0.066	1.29	0.197
Loss Aversion	0.018	0.048	0.019	0.37	0.714
Herding	-0.105	0.042	-0.113	-2.52	0.012*
Anchoring	0.124	0.042	0.137	2.96	0.003**
Mental Accounting	0.044	0.046	0.056	0.96	0.341

$R^2 = 0.041$; Adj. $R^2 = 0.029$; $F(5, 414) = 3.508$; $p = 0.004$

Note: ** $p < 0.01$; * $p < 0.05$; Dependent variable = Investment Decision-Making composite score

A review of the regression coefficients of individual samples shows that anchoring bias illustrates the most positive correlation with investment decision-making ($B = 0.124$, $p = 0.003$) and confirms anchoring bias as an important positive predictor. The strongest negative coefficient ($B = -0.105$, $p = 0.012$) is the case with herding behaviour, as more negative

herding is found to correlate with lower scores of investment decision-making. The directions predicted by overconfidence ($B = 0.059$, $p = 0.197$), mental accounting ($B = 0.044$, $p = 0.341$), and loss aversion ($B = 0.018$, $p = 0.714$) are not statistically significant as individual predictors (though their directions are expected based on the theory). All the non-standardised regression coefficients are given in a visual form in figure 9, showing the directionality and magnitude of each bias.

**Figure 9:** Multiple Regression Coefficients of Behavioural Biases on Investment Decision-Making

The empirical findings of the study add to the existing literature on behavioural finance by offering evidence among a professional distinct and hitherto unexplored group of investors. Of particular interest was the observation that herding behaviour ($M = 3.321$) is the most common bias amongst higher education

employees. Although previous studies have continuously determined the existence of overconfidence as the most prevailing bias in general investors (Abideen et al., 2023; Seraj et al., 2022), the current findings show that better-educated workers are more vulnerable to social conformity in investment decisions. This could

be indicative of the institutional conditions of academic cultures, where peer pressure and collegial agreement are normatively appreciated and such inclinations spread to financial behaviour. This observation works against Amudha and Geetha (2012) and Dumohar et al. (2022) who highlighted the effect of individual psychological factors on investment choices instead of social factors.

The positive correlation between anchoring bias and investment decision making ($r = 0.139$, $p = 0.004$) concurs with the theoretical assumption of anchoring in Prospect Theory: those who heavily depend on reference points including purchase prices beginning with purchase or historic benchmarks might exhibit more organized, but not necessarily optimal patterns of investment decisions. The results can be related to previous works by Chalissery et al. (2023) who showed that the effect of heuristic dependence remains intact even among more experienced investors and is reminiscent of what Haritha (2023) found about investor sentiment as a mediation effect. The fact that herding has a negative correlation with investment decision scores ($r = -0.116$, $p = 0.018$) indicates that investors with excessive peer behaviour follow-up decreasing the chances of making independent and active investment decisions a fact that is largely compatible with Afzal et al. (2023) and Ahmad et al. (2023).

It is also theoretically important to have the non-significant demographic impacts to investment decision-making. The lack of any significant differences in terms of gender ($F = 1.629$, $p = 0.197$), age ($F = 0.663$, $p = 0.618$), education level ($F = 1.096$, $p = 0.335$) and income ($F = 1.759$, $p = 0.154$) indicates that demographic variables. This result is somewhat contrary to other studies, which have shown that gender and income influence in general samples of investors (Badola et al., 2024; Akbar et al., 2024), indicating that the common professional culture in higher education can lead to lowering the difference between demographic groups in financial decision-making. It further opposes the view that education level positively correlates with the inherent lower susceptibility of bias, supporting the claims by Albert (2023) and Suresh (2024).

The limited explanatory strength of the regression model ($R^2 = 0.041$) indicates the multiple-determined character of the investment decision-making process and hints that psychological biases, though statistically considerable, co-exist with other sizeable factors—such as market conditions, institutional constraints, financial literacy, which were not profiled sufficiently by the current analytical framework. This is consistent with what Baker et al. (2020) note about the magnifying effect of economic uncertainty, and the decision-making heuristics, on one hand, and Bachmann et al. (2024), who found investment motives and performance expectations, complementary determinants of this effect on heuristics-driven decision-making, on the other. Future studies using intervening variables like risk perception and financial literacy as modulating factors could explain in more detail the evident difference in investment decision-making among this group of cohorts.

4. Conclusions

The current research investigated the impact of five behavioural biases, overconfidence, loss aversion, herding, anchoring, and mental accounting on influencing the financial investment decisions of higher education employees in the National Capital Region of India, a study group previously not studied in the behavioural finance literature. Based on a quantitative cross-sectional design, a sample of 420 respondents, along with the heuristics and biases framework and utilization of the prospect theory, the study was carried out and descriptive statistics, Pearson correlation, ANOVA, and multiple regression analyses were conducted.

The results reveal that each of the five biases in behaviours is moderately widespread among workers of higher education where herding behaviour not only appears as the strongest but also anchoring, loss aversion, overconfidence, and mental accounting. Of these, active anchoring and herding are the only biases that statistically significantly relate to ideal investment decision-making with anchoring having a positive influence on investment behaviour and the

herding having a negative influence on investment behaviour. Altogether, the five biases suggest about 4.1 percent. of variance in investment choices, highlighting that the psychological factors are a significant, yet contributing determinant of investment behaviour in this group. The fact that demographic effects on the investment decision-making processes are not significant means that behavioural biases act in a relatively similar manner between genders, ages, educational level, and income subgroups within this professional group.

The originality of the current research is in its focused study of a professionally diverse and educationally homogeneous sample, the incorporation of five constructs of bias measured within a single analytical model, and the contextualised use of behavioural finance theory to a neglected group. The implications of the results on financial educators, institutional policymakers, and the advisor level include generic financial literacy programme are not enough, and specific interventions that would mitigate the impact of herding and anchoring biases can be justified. Longitudinal research with financial literacy as a moderating factor and a longitudinal control sample applied to similar groups of professionals throughout India would make significant contributions to the insights

about the determinants of behaviour with regards to finance decision-making in the field of higher education.

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Author Contributions

All authors contributed equally to conceptualization, methodology, data collection, analysis, investigation, visualization, supervision, and writing (original draft preparation and review & editing).

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Not applicable.

Informed Consent Statement

Not applicable.

Data Availability Statement

Data used in this research, is available with reasonable request.

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Conflict of Interest

No conflict of interest.

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