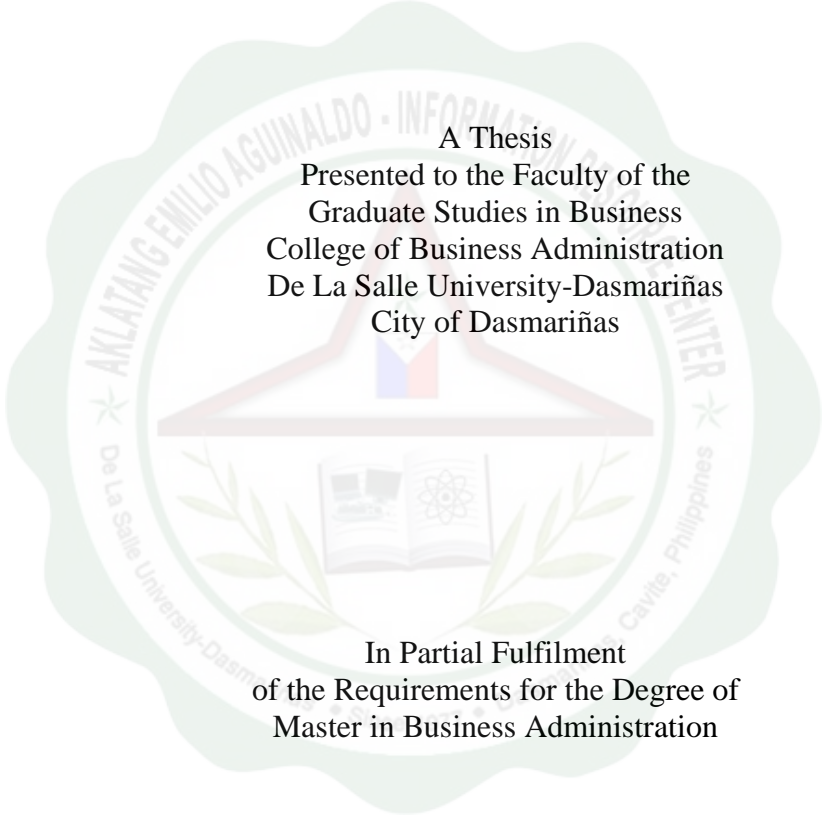


**RELATIVE RISK LEVEL AND INVESTMENT DECISIONS  
OF THE EMPLOYEES OF A BUSINESS PROCESS  
OUTSOURCING COMPANY IN MAKATI CITY**



A Thesis  
Presented to the Faculty of the  
Graduate Studies in Business  
College of Business Administration  
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City of Dasmariñas

In Partial Fulfilment  
of the Requirements for the Degree of  
Master in Business Administration

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## ABSTRACT

**DAGUM ROWENA D, Relative Risk Level and Investment Decisions of the Employees of a Business Process Outsourcing Company in Makati City.** Master in Business Administration, De La Salle University-Dasmariñas, Cavite, September 2010. Adviser: Mr. Don S. Malabanan

This study aimed to analyze the relative risk level and investment decisions of the employees of business process outsourcing company in Makati City. This study would like to prove two main statements: first, to know the effect of various socioeconomic factors, investment objectives, investment knowledge and behavioral factors on relative risk level; and second, to determine the relationship between relative risk level and investment decisions.

Descriptive statistics such as arithmetic mean, frequency distribution, and percentage were used to describe the socioeconomic profile of the respondents. Cross-tabulations for investors and non-investors were employed to determine whether socioeconomic characteristics influence individual investment decisions of employees. Pearson's Chi was used to determine the association between risk level and various socioeconomic and nonmetric variables. Logistic regression was also used to determine the effect of socioeconomic and other nonmetric variables on relative risk level.

Most of the respondents were female, single, and able to reach college. The mean age of the respondents was 28.78 years and they have been working with the company for an average of 2.66 years. Around 36 percent earned a total compensation

income between PhP300,000 to PhP450,000 and about 43 percent had a total annual income from allowances below PhP150,000. Majority of the respondents have savings deposit while only eight of the respondents own debt instruments. Eighty six percent of the respondents said that they intend to invest in asset purchases in the future and majority of the respondents are loss averse. It was found that the level of investment knowledge and behavioral factors were insignificant. For investment objective, majority of the respondents are concerned with growth of their assets and financial investments. The investment objective - growth and income was found to have an influence on relative risk level. There is no association between relative risk level and intent to do asset purchase in the future. It is also inferred that there is no relationship between relative risk level and investment decisions.

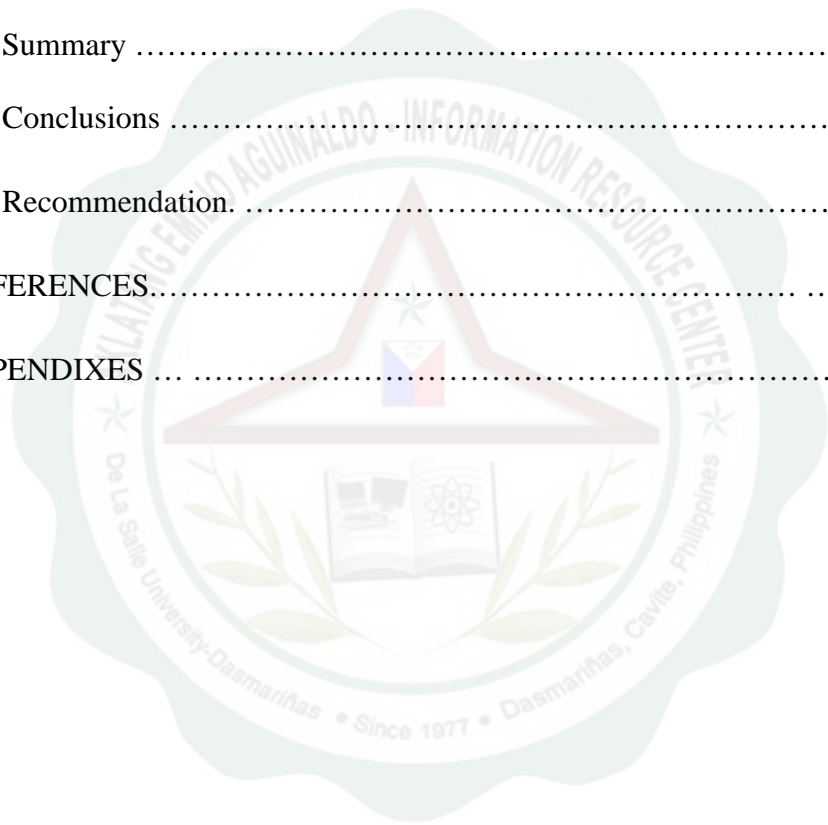
Majority of the employees prefer to be safe in dealing with investment decisions. For future studies, it is highly encouraged to pursue the same topic but in a different industry where investment engagement is saturated (e.g. Philippine Stock Traders). Risk preferences are one of the most crucial parameters in economics and everyday life. Future researches on this topic will also help in order to increase the awareness of individuals on the benefits of investment decisions as an opportunity for growth and income.

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