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**Manager's behavioural biasness and its influence on financial
decisions: A case of telecommunication sector in Pakistan**



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ABSTRACT

Purpose –The aim/purpose of this research is to find out the influence of behavioural biasness on important and critical financial decisions investing and financing of an organization. It will also contribute to the work being done in behavioural finance field.

Design/methodology/approach – A mix of qualitative and quantitative research is done in order to significantly analyse the influence of behavioural biasness on financial decisions. Structured Questionnaire were used for the research and these questionnaires were floated in the service telecommunication organizations i.e. Telenor, Ufone and Mobilink for the quantities analyses. While interviews were semi structured in nature and were conducted with managers of same organizations in order to get in depth information and carry out the qualitative part of the research. Four independent variables; the confirmation biasness, overconfidence biasness, herd biasness and the attribution biasness were there in the study whose influence on dependent variable; financial decisions were studied. SPSS software was used in order to analyse the quantitative data and different test were run for the analysis purpose. Primary data was gathered with the help of these two while secondary data was used in order to form the base of research in form of literature review.

Significance –This research will help the future researcher to have detailed information of how confirmation biasness, overconfidence biasness, herd biasness and the attribution biasness can have their influence on financial decision. Moreover, this research can also help in corporate world to have better understating of these biasness involved in financial decisions and with this research they can devise some ways to avoid this behavioural biasness to some extent.

Results – The results of this research shows that financial managers of service telecommunication sector do consist of the behavioural biasness factors in their nature including confirmation biasness, over confidence biasness, herd biasness and attribution biasness. Because of which the important and critical financial decisions of the organization were being influenced.

Limitation–Time constraint was there, limited companies were being analysed and limited behavioural biases are included in this research. Further more there exist no discussion on how this biasness can be avoided; can be some limitations of this research done on behavioural finance.

Keywords: financial decisions, confirmation bias, overconfidence bias, attribution bias, herd bias, financial managers and behavioural biasness, financial decisions, Behavioural finance.

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