

A STUDY ON INFLUENCE OF PERSONALITY TRAITS ON BEHAVIOURAL INTENTION OF INVESTORS IN TAMIL NADU

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Abstract

Personality traits are organized in hierarchical structures, with broad domains at the top of the scale and more detailed patterns of behaviour at the bottom. The big five Personality traits thus capture individual characteristics that are affective, experiential and motivational and are more likely to predict individuals' behavioural intentions in conflict situations. The regression analysis shows that extraversion and agreeableness traits of investors are positively and significantly influencing the behavioural intention of investors, while, openness and conscientiousness are negatively and significantly influencing the behavioural intention of investors. The investors need to analyze the investment factors carefully using the reasonable business knowledge before making an investment decision. Investors do also need to diversify their investment in different avenues by developing a range of investments to minimize risks and maximize returns. It will be useful to investors to understand their personalities and change their personalities if needed to optimize their investment return.

Key Words: Behavioural Intention, Investors, Personality Traits, Regression.

1. INTRODUCTION

Personality traits are organized in hierarchical structures, with broad domains at the top of the scale and more detailed patterns of behaviour at the bottom. The so called Big Five model is one of the most commonly used taxonomies in the field of management and psychology. There have been arguments that broader personality predispositions rather than isolated traits affect people's strategies in approaching conflict situation and therefore more comprehensive measurement of personality should be used to investigate individual's characteristic mode of conflict handling styles.

Over the past decades, theory and research in the trait view of personality have slowly converged and a consensus has been reached that the Five-Factor Model often termed as "Big Five" (Goldberg, 1990) can be used to describe the most salient aspects of personality. The Big Five is composed of neuroticism, extraversion, openness, agreeableness, and conscientiousness, which are enjoying increasing acceptance and popularity among personality psychologists.

The personality factors that make up the Big Five are not themselves traits but rather dispositional categories under which a variety of specific traits may be subsumed (Barry and Friedman, 1998). According to Barrick and Mount (1991), these five factors include (1) Neuroticism, which is associated with being anxious, depressed, worried, and insecure; (2) Extraversion, which is associated with being sociable, assertive, talkative, and active; (3) Openness, which is associated with being imaginative, curious, original, and open-minded; (4) Agreeableness, which is associated with being courteous, flexible, trusting, cooperative, and tolerant; and (5) Conscientiousness, which is associated with being careful, responsible, and organized.

The big five thus captures individual characteristics that are affective, experiential and motivational and are more likely to predict individuals' behavioural intentions in conflict situations. With this back ground, the present research is attempted to study influence of personality traits on Behavioural intention of investors in Tamil Nadu.

2. METHODOLOGY

The Tamil Nadu state has been purposively selected for the present study. The investors have been selected from the major cities of Chennai, Coimbatore, Madurai, Salem, Tiruchirappalli and Tirunelveli by adopting random sampling technique. The data and information have been collected from 200 investors from each city through pre-tested structured questionnaire, thus, the total sample size for the present study is 1200. The data and information pertain to the year 2014-2015. In order to examine the socio-economic characteristics of investors, the frequency and percentage analysis have been worked out. The mean and standard deviation have been calculated for personality traits and behavioural intention of investors. In order to examine the influence of personality traits on behavioural intention of investors, the multiple linear regressions has been applied

3. RESULTS AND DISCUSSION

3.1. SOCIO-ECONOMIC CHARACTERISTICS OF INVESTORS

The socio-economic characteristics of investors were analyzed and the results are presented in Table-1. The results show that

about 51.75 per cent of investors are males and the rest of 48.25 per cent of investors are females. It is observed that about 28.75 per cent of investors belong to the age group of 26 – 35 years followed by 36 – 45 years (23.83 per cent), 46 – 55 years (21.08 per cent), 21 – 25 years (18.58 per cent), 56 – 65 years (4.42 per cent) and above 65 years (3.34 per cent).

The results indicate that about 27.50 per cent of investors have the educational qualification of graduation followed by secondary education (20.25 per cent), post-graduation (17.25 per cent), diploma (15.17 per cent), primary education (10.08 per cent) and higher secondary education (9.75 per cent). It is clear that about 35.00 per cent of investors are working in Government sector followed by private sector (29.67 per cent), business (14.67 per cent), retired (10.41 per cent) and agriculture (10.25 per cent).

The results reveal that about 29.92 per cent of investors belong to the annual income group of Rs.4,01,000 – Rs.6,00,000 followed by Rs.2,01,000 – Rs.4,00,000 (20.75 per cent), Rs.6,01,000 – Rs.8,00,000 (20.17 per cent), less than Rs.2,00,000 (15.83 per cent), Rs.8,01,000 – Rs.10,00,000 (11.58 per cent) and more than Rs.10,00,000 (1.75 per cent). It is apparent that about 32.00 per cent of investors belong to the annual investment group of Rs.50,001 – Rs.75,000 followed by Rs.25,001 – Rs.50,000 (20.75 per cent), 75,001 – Rs.1,00,000 (20.42 per cent) and less than Rs.25,000 (17.33 per cent) and more than Rs.1,00,000 (9.50 per cent).

Table-1. Socio-Economic Characteristics of Investors

Particulars	Frequency	Percentage
Gender		
Male	621	51.75
Female	579	48.25
Age Group		
21 – 25 years	223	18.58
26 – 35 years	345	28.75
36 – 45 years	286	23.83
46 – 55 years	253	21.08
56 – 65 years	53	4.42
Above 65 years	40	3.34
Educational Qualification		
Primary	121	10.08
Secondary	243	20.25
Higher Secondary	117	9.75
Diploma	182	15.17
Graduation	330	27.50
Post Graduation	207	17.25
Occupation		
Agriculture	123	10.25
Business	176	14.67
Government Sector	420	35.00
Private Sector	356	29.67
Retired	125	10.41
Annual Income		
Less than Rs.2,00,000	190	15.83
Rs.2,01,000 – Rs.4,00,000	249	20.75
Rs.4,01,000 – Rs.6,00,000	359	29.92
Rs.6,01,000 – Rs.8,00,000	242	20.17
Rs.8,01,000 – Rs.10,00,000	139	11.58
More than Rs.10,00,000	21	1.75
Annual Investment		
Less than Rs.25,000	208	17.33
Rs.25,001 – Rs.50,000	249	20.75
Rs.50,001 – Rs.75,000	384	32.00
Rs.75,001 – Rs.1,00,000	245	20.42
More than Rs.1,00,000	114	9.50

3.2. PERSONALITY TRAITS OF INVESTORS

The personality traits of investors were analyzed and the results are hereunder presented.

3.2.1. EXTRAVERSION TRAIT

The personality trait of extraversion of investors was analyzed and the results are presented in Table-2.

Table-2 Extraversion Trait of Investors

Sl. No.	Extraversion	Mean	Standard Deviation
1.	Is original, comes up with new ideas	3.83	1.03
2.	Tends to find fault with others	3.14	1.09
3.	Is sometimes shy, inhibited	4.63	0.24
4.	Is considerate and kind to almost everyone	3.77	1.02
5.	Is relaxed, handles stress well	3.24	1.06
6.	Worries a lot	4.29	0.35
7.	Can be tense	4.61	0.23
8.	Makes plans and follows through with them	4.24	0.15

The results show that the investors are strongly agreed with sometimes shy, inhibited and can be tense, while, they are neutral with tends to find fault with others and relaxed, handles stress well. Besides, they are agreed with original, comes up with new ideas, considerate and kind to almost everyone, worries a lot and makes plans and follows through with them.

3.2.2. NEUROTICISM TRAIT

The personality trait of neuroticism of investors was analyzed and the results are presented in Table-3.

Table -3. Neuroticism Trait of Investors

Sl. No.	Neuroticism	Mean	Standard Deviation
1.	Is full of energy	4.63	0.20
2.	Perseveres until the task is finished	4.43	0.16
3.	Can be somewhat careless	4.41	0.15
4.	Starts quarrels with others	3.17	0.39
5.	Is outgoing, sociable	4.67	0.14
6.	Does things efficiently	4.40	0.32
7.	Tends to be quiet	3.32	0.46
8.	Is sophisticated in art, music, or literature	3.30	0.60

The results show that the investors are strongly agreed with full of energy and outgoing, sociable, while, they are neutral with starts quarrels with others, tends to be quiet and sophisticated in art, music, or literature. Besides, they are agreed with perseveres until the task is finished, can be somewhat careless and does things efficiently.

3.2.3. OPENNESS TRAIT

The personality trait of openness of investors was analyzed and the results are presented in Table-4.

Table - 4. Openness Trait of Investors

Sl. No.	Openness	Mean	Standard Deviation
1.	Is reserved	3.34	0.48
2.	Does a thorough job	4.62	0.36
3.	Is ingenious, a deep thinker	4.73	0.23
4.	Has an assertive personality	3.77	1.19
5.	Tends to be disorganized	3.32	1.13
6.	Tends to be lazy	3.28	1.42
7.	Generates a lot of enthusiasm	4.70	0.11
8.	Gets nervous easily	3.84	0.87
9.	Is inventive	3.20	1.21
10.	Likes to reflect, play with ideas	4.67	0.16

The results show that the investors are strongly agreed with does a thorough job, ingenious, a deep thinker, generates a lot of enthusiasm and likes to reflect, play with ideas, while, they are neutral with reserved, tends to be disorganized, tends to be lazy and inventive. Besides, they are agreed with has an assertive personality and gets nervous easily.

3.2.4. AGREEABLENESS TRAIT

The personality trait of agreeableness of investors was analyzed and the results are presented in Table-5.

Table - 5. Agreeableness Trait of Investors

Sl. No.	Agreeableness	Mean	Standard Deviation
1.	Is a reliable worker	4.19	0.30
2.	Is curious about many different things	4.24	0.35
3.	Remains calm in tense situations	3.26	0.56
4.	Is generally trusting	4.74	0.17
5.	Likes to cooperate with others	3.97	0.66
6.	Values artistic, aesthetic experiences	4.31	0.48
7.	Has few artistic interests	4.19	0.28
8.	Is easily distracted	3.15	0.73
9.	Prefers work that is routine	4.70	0.21

The results show that the investors are strongly agreed with generally trusting and prefer work that is routine, while, they are neutral with remains calm in tense situations and easily distracted. Besides, they are agreed with reliable worker, curious about many different things, likes to cooperate with others, values artistic, aesthetic experiences and has few artistic interests.

3.2.5. CONSCIENTIOUSNESS TRAIT

The personality trait of conscientiousness of investors was analyzed and the results are presented in Table-6.

Table - 6. Conscientiousness Trait of Investors

Sl. No.	Conscientiousness	Mean	Standard Deviation
1.	Is talkative	4.65	0.14
2.	Can be cold and aloof	3.88	0.47
3.	Is depressed, blue	3.34	0.72
4.	Is helpful and unselfish with others	3.70	0.97
5.	Has an active imagination	3.38	1.47
6.	Is sometimes rude to others	4.68	0.23
7.	Tends to be quiet	3.39	0.83
8.	Has a forgiving nature	4.08	0.55
9.	Is emotionally stable, not easily upset	3.70	0.74

The results show that the investors are strongly agreed with talkative and sometimes rude to others, while, they are neutral with depressed, blue, has an active imagination and tends to be quiet. Besides, they are agreed with can be cold and aloof, helpful and unselfish with others, has a forgiving nature and emotionally stable, not easily upset.

3.3. BEHAVIOURAL INTENTION

The Behavioural intention of investors was analyzed and the results are presented in Table-7.

Table -7. Behavioural Intention of Investors

Sl. No.	Behavioural Intention	Mean	Standard Deviation
1.	I will recommend investment options to others	3.66	0.63
2.	I will continue to do most of my investment tasks in my own.	3.71	0.67
3.	I will be willing to shift my investments based on higher expected returns	3.84	0.53
4.	In the event of a problem with my investments, I will be willing to lodge a complaint to the relevant authorities	4.25	0.52

The results show that the investors are agreed with they will recommend investment options to others, they will continue to do most of their investment tasks in their own, they will be willing to shift their investments based on higher expected returns and in the event of a problem with their investments, they will be willing to lodge a complaint to the relevant authorities.

3.4. INFLUENCE OF PERSONALITY TRAITS ON BEHAVIOURAL INTENTION OF INVESTORS

In order to examine the influence of personality traits on behavioural intention of investors, the multiple linear regression has been employed and the results are presented in Table-8. The personality traits are considered as independent variables and the behavioural intention of investors is considered as dependent variable.

Table - 8. Influence of Personality Traits on Behavioural Intention of Investors

Personality Traits	Regression Coefficients	t-value	Sig.
Intercept	12.622**	11.487	.000
Extraversion (X ₁)	.096**	3.867	.000
Neuroticism (X ₂)	-.016	.474	.636
Openness (X ₃)	-.119**	4.777	.000
Agreeableness (X ₄)	.197**	8.040	.000
Conscientiousness (X ₅)	-.064**	2.759	.006
R ²	0.58	-	-
Adjusted R ²	0.56	-	-
F	52.973	-	.000
N	1200		

Note: ** Significance at one per cent level.

The results indicate that the coefficient of multiple determinations (R²) is 0.58 and adjusted R² is 0.56 indicating the regression model is good fit. It is inferred that about 56.00 per cent of the variation in dependent variable (Behavioural Intention) is explained by the independent variables (Personality Traits). The F-value of 52.973 is statistically significant at one per cent level indicating that the model is significant.

The results show that extraversion and agreeableness traits of investors are positively and significantly influencing the behavioural intention of investors at one per cent level, while, openness and conscientiousness are negatively and significantly influencing the behavioural intention of investors at one per cent level. Therefore, the null hypothesis of there is no significant influence of personality traits on behavioural intention of investors is rejected.

4. CONCLUSION

Among the features of extraversion trait, the investors are strongly agreed with sometimes shy, inhibited and can be tense and among the features of neuroticism trait, the investors are strongly agreed with full of energy and outgoing, sociable. Among the features of openness trait, the investors are strongly agreed with does a thorough job, ingenious, a deep thinker, generates a lot of enthusiasm and likes to reflect, play with ideas and among the features of agreeableness trait, the investors are strongly agreed with generally trusting and prefer work that is routine. Among the features of conscientiousness trait, the investors are strongly agreed with talkative and sometimes rude to others.

The regression analysis shows that extraversion and agreeableness traits of investors are positively and significantly influencing the behavioural intention of investors, while, openness and conscientiousness are negatively and significantly influencing the behavioural intention of investors.

The investors need to analyze the investment factors carefully using the reasonable business knowledge before making an investment decision. Investors do also need to diversify their investment in different avenues by developing a range of investments to minimize risks and maximize returns. It will be useful to investors to understand their personalities and change their personalities if needed to optimize their investment return.

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