

The Impact Of Investor's Personality Traits Over Their Investment Decisions With The Mediating Role Of Financial Self Efficacy And Emotional Biases And The Moderating Role Of Need For Cognition And The Individual Mood In Pakistan Stock Exchange

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Article Info	Abstract
Article History Received: May 18, 2021 Accepted: August 30, 2021	<p><i>The main objective of the study is to examine the impact of investor's personality traits over their investment decisions with the mediating role of financial self-efficacy and emotional biases and the moderating role of need for cognition and the individual mood in Pakistan stock exchange. In this regard, a survey instrument was designed to collect the data. Data from 500 respondents have been collected thereafter analyzed via IBM SPSS and Smart PLS using descriptive and multiple regression analysis. The results revealed that individual personality traits significantly predict managers financial self-efficacy and emotional biases, personality traits also significantly relate to financial behavior of managers furthermore all of proposed sub-hypotheses were supported except two path relationships due to insignificant effect size and relevance. The result of mediation paths shows that both manager's financial self-efficacy and biases mediate the relationship between personality traits and financial decision-making behaviors. In addition to this the moderation effects of need for cognition in the relationship between personality traits and emotional biases which is insignificant. However, need for cognition plays a significant role in strengthening the effects of personality traits in improving the manager's financial self-efficacy. Also the results of personality traits with respect to short and long term decision making only neuroticism is not supported rest openness and consciousness result showed support towards long and short term decision making. Furthermore, the moderating role of individual mood between financial self-efficacy and decision-making behavior is stronger for manager having high sense of individual mood is supported. Additionally the study implication from theoretical perspective is that it proves that need for cognition of neurotic, investor's financial self-efficacy and individual mood act as facilitators for doing investment decision and the model used is tend to be considered more useful for research in the associated fields and from practical perspective this research study has implication in the shape of significant influence on investors behavior for making investment decision and has valuable contribution for investment marketers investment advisors and investors, while doing investment in the stock market.</i></p>
Keywords : Personality Traits, Investment Decisions, Financial Self Efficacy, Emotional Biases, Need For Cognition, Individual Mood, Pakistan Stock Exchange	
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Introduction

Investor's investment decision is associated with the choice made by investor with respect to the amount of funds to be employed in investment opportunities (Ahmad et al., 2018; Shawahana et al., 2017). The investment mostly involves the procedures of funds utilization with the expectations of getting premiums, future endeavors, and value creation (Caselli & Negri, 2018). Apparently, investment decisions of investors are extensively studied for the past three decades though there are no agreed descriptions (Anwar & Hayat, 2016; Marchand, 2012; Husnain, 2019) because of its "demeanor" nature. Investors can do decision making and hence they can adjudicate their skills of taking right decisions by evaluating the outcomes. Conventional theories of finance assumed that investment markets and investors are realistic and sensible who are fascinated in increasing their investments. However, in numerous occasions there are several attributes such as personality traits (Sadi et al. 2011; Mayfield et al. 2008 Brown & Taylor, 2014), emotions (Yalcin et al., 2016; Pompian, 2012; Prosad, 2014), mood (Lan et al., 2018; Anbar; Eker, 2010; Erber, 2001) and financial literacy (Farrell et al., 2016) effects the decisions related to investments and investors perform in illogical, unwise and unexpected manner. To know the impact of these factors on investment decisions a novel field has surfaced. This novel field of finance is called "Behavioral Finance" is an attempt to link this behavioral aspects of investors with the theories of economics and conventional finance to describe the reasons of unwise and absurdity in the investment

decisions of investors contemporarily. Behavioral finance deals with both external and internal elements affecting the investor's investments decisions. This study aims to investigate the impact of investor's personality traits over their investment decisions with the mediating role of financial self-efficacy and emotional biases and the moderating role of need for cognition and individual mood in Pakistan Stock Exchange (PSX).

The investors decisions can be biased in stock market because of majority of the reasonable planning of personality distinctiveness, in the tendencies of behaviors like personality attributes i-e. neuroticism, openness to experience and conscientiousness and emotional biases like Regret Aversion Bias, Endowment Bias and Status Qua Bias. The most well-known characteristic of the personality is the impulsiveness of individuals because of which immediate reaction of financial investors for the financial decisions making regarding security trading might improves with gains. The research of personality disparity might be of great help for traders who make selling and buying with investors as it has an impact on the choice of securities. While making decisions related to financials different issues might be confronted. Chao et al. (2012) reported that people who fits in the categories of investors have emotional problems in diverse personality and also their surroundings, among which financial investors cannot easily get rid of the emotional issues. These personality attributes are considered to be beneficial by converting non profitable investments into profitable investments. Alongside personality features, behavioral feature also has considerate impact on various administrative features of investments.

Objectives

- To investigate the association between personality attributes and investment decisions.
- To investigate the association between personality attributes, emotional biases and financial self-efficacy.
- To investigate if the emotional biases and financial self-efficacy mediates the association between personality traits and investment decisions.
- To investigate the combined impact of need for cognition and personality attributes on emotional biases and financial self-efficacy.
- To investigate the combined impact of emotional biases, financial self-efficacy and individual mood on investment decisions.

Review of Relevant Literature

There are numerous studies from different school of thoughts that have examined the factors affecting the investment decision makings of individual investors (Elfahmi & Solikin, 2020; Ozer & Mutlu, 2019; Lai, 2019; Kumari et al., 2019; Akhtar & Das, 2019; Mindra & Moya, 2017; Montford & Goldsmith, 2016; Conlin, 2015; Zhang et al., 2014; Chitra & Ramya, 2011 and Forbes & Kara, 2010). With the emergence of the field of behavioral finance it has been widely observed that investment decisions of individual investors are highly likely to be affected by both psychological and emotional factors. The studies from different contexts found some factors which substantially influenced the individual's decision makings in financial investments. This emphasizes the importance of psychological and emotional attributes in the study of investment decisions. Some psychological and emotional factors are considered to directly while some are considered to indirectly effect the investment decision makings of individuals. Those factors are explained in the below literature stepwise:

Personality Traits

Common theories for finances like (Fama, 1965) and Modern Portfolio Theory (Markowitz, 1952) justifies the consideration of rational-investors and efficient-markets. Although it is clear that there also present investors which are not rational, committing transactions which are random which is hard to be explained from the theories of traditional finances (Chang, 2008). Several studies have identified different personality traits substantially influencing the investment decisions of individual investors.

Goldberg (1990) argued against five personality traits such as neuroticism, conscientiousness, openness to experience, agreeableness and extroversion. McCrae & Costa (1992) also supported this model. Investor's personality consists of considerable part for making the thought and emotion which might disturb his or her decision making. Ample research has also acknowledged to calculate the impacts of personality characters on investing behavior of an investor.

Lodi et al. (2007) have assessed the correlation among personality-traits and individual investment. Their research adopts the meta-analytic method to find across the board structure of correlation in a scene of individual-investment in four different ways as personality trait domains, family, work, volunteerism, religion and the of agreeableness, conscientiousness and emotional stability. The conclusion highlights the limit of investments between these points is highly interrelated to conscientiousness, agreeableness, low psychoticism and emotional stability.

Apparently, Linden et al. (2010) has described a meta-analysis on the relationship among the Big Five personality-traits extraversion, conscientiousness, openness, agreeableness and neuroticism-to analyze the General Factor Personality (GFP). A multi method quality research was conducted to find the correlation among the GFP, and supervisor rated task outcome. The conclusion of meta-analysis giving supporting-evidence for

the two meta factors, plasticity and stability GFP at the maximum structural level. The time of research show that the GFP has an important factor as the relationship to oversee the task outcome.

Mayfield (2008) also examined the personality-traits and show that people which are pros to extroverts and experiences are considered more risk takers. Related to behavior-biases, (Mooreland, 2016) indicates that behavior-biases like myopia (sometimes analyzing the investments status) and over-confidence are positive signals for risk-profiles. Although, author has highlighted that questionnaires-considering by banks to identify the profile of investors with respect to risk which is an authentic way to presume the accurate risk-profile. At last, relation of cognitive-ability, (Mandal, 2014) identified that the absorption for risk is large between individuals having small and large cognitive-ability, reflects that linearity in this correlation does not exists.

The personality which an individual possesses separate and changed as the other individual have. Durand, Newby & Sanghani (2008) validated that personality of the investors is correlated with their investment choices and consequences. In some homework by Conlin et al. (2015), personality marks with exact subscales of traits joined with socio-economic status of investors were discovered to recognize the stock participation of different individuals. Psychology or emotions explain personality as 'comparatively everlasting pattern of behavior, opinions and feelings. These features under certain circumstance answer in certain ways, which decide an individual from one another (Masle et al., 2017). It is problematic to draw the clear line that distinguishes the personality in addition cognition.

This study considered only three factors of personality traits namely neuroticism, conscientiousness and openness to experience as the factors to substantially effect the individual's decision makings. The effect of each personality attribute on investment decisions are described below with the help of prior literature.

Openness to Experience

According to McCrae & Costa, (1992), this personality trait includes appreciation for wide range of experiences, curiosity, creativity, adventure, feelings, and art. It demonstrates an individuals' fantasies and passions with his innovative perceptions. Highly open people are unconventional, imaginative and curious. Those individuals who are open to experiences enjoy the art and are too much sensitive to elegance and attractiveness. They are highly innovative and imaginative, and even more conscious about their feelings and rely on their minds while participating in the stock market investments. A person who is very much open to experiences is seemed to be the one who is passionate about learning those arts, connected to a hobby and career which are creative also will be social (Lebowitz, 2016).

Conscientiousness

The organized, reliable, persistent, and dependable individuals lie in this category of personality dimension. Conscientiousness means a preference for unpredictable, organized instead of impulsive and structured behavior. It impacts the way people direct, control and manage tendencies, habits, stimulations, and desires. Conscientious individuals are more likely avoid stress and achieve high and better accomplishments and acceptable results through their purposeful and beneficial planning. Those individuals who lacks this personality trait prone to be unreliable, disorganized, and distracted (McCrae & Costa, 1992).

Neuroticism

It is defined as the tendency of and individuals towards depression, negative feelings, self doubt and anxiety. It has been observed that investors while participating in the market also possess certain characteristics of neuroticism due to which they may perform irrational in the financial market. A research was conducted by Aydeirr & Bayram (2017), among the groups of students at a university and examined the relationship among personalities traits and styles of decision making. It was noticed that the instinctive and irrational styles are deeply connected with the personality attributes. The relation of personality attributes with the investment full of risk is quantitatively substantial.

Financial Self-Efficacy

Reyniers, Irenbusch & De Meza (2008), argued that financial self-efficacy is a set of psychological traits which includes mental budgeting and accounting information overload, regrets, and risk aversion. Self-efficacy is just one's own confidence about performing a certain task. A plethora of research have been conducted so far on this self-efficacy (Bandura, 1997). Organizational studies have observed the association between work related performance and self-efficacy (Judge, Jackson, Shaw, Scott, & Rick, 2007).

Goldsmith & Montford (2016), conducted a research in US people with the mind to analyze psychology of investment of both female and male and also to know the reason behind this that why women invest very conservatively. They also worked on the behavior of humans in investments by analyzing the relation among the investment risks and gender beside the part of financial self-efficacy. Their studies concluded that the women are less likely to invest in the risky investments and financial self-efficacy is directly associated with the risk level in investment portfolio. Moreover, gender differences also affect the impact on portfolio choices, wealth accumulation, techniques of pension savings and investment (Chatterjee, Finke & Harness, 2011).

Financial self-efficacy is not only affected wholly by the level of financial abilities or financial literacy. Instead, factors for instance individual and interpersonal norms, family background, personality and frames of references give rise to one's financial self-efficacy as well (Hira, 2010).

Greene & Chen 1998), conducted a research on entrepreneurial self-efficacy and concluded that individuals having high entrepreneurial self-efficacy tend to show more financial control. Apparently, another study was carried out on women's financial self-efficacy by (Farrell et al., 2016), this was observed that those women who are more confident about their capabilities in handling the financial matters well, held a financial products diverse portfolio. Planned behavior theory describes that when a person is too much confident about that he can control their behavior and have the capability of exhibiting a specific behavior then the perceived self-efficacy and behavior control could directly forecast behavior (Ajzen & Fishbein, 2005).

Personality Traits and Mediating Role of Financial Self Efficacy

The personality of an investor is of great interest for the researchers of behavioral finance for understanding his behavior in investment. Various research has been conducted in this regard to find out the association between the investors' behaviors and personality types. Contemplating the planned behavior theory, authors added many predictor variables to theory of reasoned actions, at the information, social and individual level. These predictor variables are also called the "background factors". Further it was argued that these variables are not the direct predictors of behavior rather their impact on behavior can be studied via specific psychological mechanisms. Self-efficacy is considered to be that cognitive mechanism through which the impact of personality variables on behavior can be study. Bandura (1982) claimed that the self-efficacy is not the sole trait affecting the individual's personality, rather it dependent upon the context and circumstances, and it mostly acts like a cognitive mediator of actions.

Extrovert and social individual who tend to obtain information from various external sources will be more confident and will be more able to deal with their financial matters. Those who are high conscientious and possess more analytical abilities are on a high stage of financial self-efficacy. Also, those people who are having high openness to experiences are able to do complex things and are expected to possess high financial self-efficacy. While on the other side of picture, those who are agreeable people too much rely on others' suggestions and neurotics individuals are high risk averters because they tend to be more threatened from the external environment and so they are expected to have low financial self-efficacy.

Cherney, Khan & Rothwell (2016), investigated the associated of saving outcomes, financial self-efficacy and financial knowledge and have observed that financial self-efficacy plays a mediating role in the linkage among investment and financial knowledge. This correlation of retirement savings and financial knowledge passes mediated via financial self-efficacy. Same like in the US national survey, growth in financial self-efficacy was related to 8%-point growth in the probability of emergency savings (Robb & Babiarz, 2014).

Moderating Role of Need for Cognition (NFC) between Personality Traits and Financial Self-Efficacy

Need for cognition is described as personality features, and it was presented to describe the individual differences in motivation for cognitive working. It can also be said as dispositional tendency of a person, due to which and individual enjoys thinking (Petty & Cacioppo, 1982). It has a direct influence on the strives dedicated to cognitive elaboration (Jarvis, Feinstein, Petty & Cacioppo, 1996). That is why those people who highly need cognition perform well in complex circumstances, they have high learning capabilities, and they have better idea persuasiveness towards over all behavior. Individuals have more innovative behavior who are highly NFC.

People's capabilities, expertise and knowledge vary, and are associated with the low and high level of need for cognition. Moreover, it has also been observed that the need for cognition is also associated with the innovative behavior. The linkage of cognitive style, openness to experience and creative personalities have been studied by various researchers (Madjar, 2008). Explicitly, when cognition is related to innovative behavior then the typical focus continues to be on cognitive abilities instead of individual's motivation with regard to cognition. It has been noticed that those individuals having high need for cognition are less indulge with irrelevant elements, compare to those who have less need for cognition.

According to Cogburn & Sadowski (1997), contrary to those having less NFC, people having high need for cognition are more confident about their work and decisions and therefore, for supporting their own ideas they are capable of exhibiting a good number of arguments. Planned behavior theory explains that self-efficacy is affected by a large number of background variables also including a person's personality (Ajzen & Fishbein, 2005). People varies from one another based on their behavior and personalities, and therefore, possess different cognitive elegances. Many practitioners have investigated the linkage between personality traits and need for cognition. All these studies concluded that conscientiousness, openness to experiences and extraverts people possess high need for cognition while neurotics possess low need for cognition (Kunce, Harms & Woo, 2007).

Financial Self Efficacy and Moderating Role of Individual's Mood

Mood is considered as impermanent feeling in a specific time and therefore has a huge impact on trading decisions. Because of good number of studies and research conducted on the association of stock returns with the environmental factors like weather and length of the day, the supposition that influence the investor behavior has gained popular acceptance. There is a topic which has gain a lot of attention in recent days that is how the investors' mood is shaped through various religious, cultural and social events. Normally, the evidence signifies that mood play and emotions play a significant role in determining the investor's behavior. Shu (2010) argued that the greater the complexity of decisions' outcome the better the impact will be of mood in decision making.

An optimistic approach of mood could shape optimistic investors who are ready to accept riskier investment decisions (Tsalavoutas, Kallinterakis & Gavrilidis, 2016).

A study was conducted in Finland on the domestic investors and the result showed that mood has a significant impact on behavior of investors. An individual in better mood feels optimistic in stock trading and this would be worth saying that he has greater risk tolerance. They learned to buy stocks rather to sell it when they know the external environment is favorable like more sunshine or longer day time (Rantapaska & Kaustia, 2016).

Lepori (2015), argued that various research has been conducted both inside the lab and outside in fields to investigate the role of mood in the decision-making process under various risk conditions. And from the results it was concluded that the mood easily impacts person's behavior towards risk and choices. Inside the laboratories the mood subject is investigated by manipulating it through exposure to external stimuli like short stories, sound/music and movie clips. While on the other side field studies contemplate on the mood influence on investment decisions, the conclusions of the stock markets assumes that these environmental elements prompt mood and can vary the optimism about the portfolio choices (Rodger, Redhead & Al-Hajieh, 2011).

Cognitive Biases

Cognitive biases are discussed in several behavioral studies. These studies gave a decision and judgment that came out from normative philosophies (Dan and Lockton, 2012). such biases are used to be shortcuts for making strategic decisions (Gigerenzer et al, 1999). It shows systematic dissimilarity among the "correct" reply came from normative principal, and the decision maker actual reply (von Winterfeldt D and Edwards W, 1986). Amos Tversky and Daniel Kahneman states and elaborate the word cognitive biase. Later a variety of biases for decision making and human judgement was shown by behavioral decision observers. Such decisions are diverted from normative principal of probability theory. Risk analysts are responsible to put in shape the errors and biases in making decisions. Kahneman et al., (2002) gave a good stuff on cognitive biases also good arrangements of research papers. Large number of diversions from decisions in cognitive biases and judgments which has impact on decision (Joyce Ehrlinger et al., 2017). They suggest that shortcuts or cognitive plans are handy while going for efficient and quick decisions. Correct and good decisions can be taken using these shortcuts. The shortcuts also have a negative effect and can results in affecting people in cognitive biases. Cognitive biases are regular component of good decision making. Key cognitive biases are loss aversion bias, status quo bias, and status quo bias. As illustrated below:

Loss Aversion Bias

When it comes to make choices, individuals contemplate more what they might lose, instead of focusing what they can benefit from. As Tversky & Kahneman (1997), argued that "Looses loom larger than gains". In some other words, potential for the loss in the minds of people are much more prominent than that of for gain. For instance, study conducted by Zeckhauser & Samuelson (1988), examined that the youth workers are more prone to register for health insurance that provide better deductibles and premiums, while elders workers were stick more likely to their less beneficial plans. The elder workers might be highly concerned with the reduction of any possible loss rather than putting everything on risk for some potential gain. They are aware of their current plan that what should be expected, and hence they are reluctant to take risk on new plans even nevertheless the new one might be having higher potential for monetary benefits.

Status Quo Bias

According to R., Zeckhauser, W., & Samuelson, (1988), the conclusions from the series of experiments regarding decision making are designed to examine for status quo effect. The major results were that the decision makers demonstrate an important status quo bias. In our study the subject adhered to the status quo choice are more frequently than that would be predicted by the canonical model. for the experiment questionnaire was constructed consists of several decision-making problems, and each involve a choice from a fixed number of alternatives. The experimental design changed the shaping of alternatives while controlling for the preferences and keeping constant the sets of choice alternatives. Under the neutral shaping, a menu of likely alternatives with even no certain labels assigned was exhibited, all choices were on equivalent footing, as they are usually in the depiction of canonical model. and under framing of status quo.

Endowment Bias

It is basically a cognitive bias that affects individuals in valuating objects owned by themselves more than the object's market value. It is also an irrational behavior of an investor. In the field of behavior finance, endowment bias impact the investors to stock with their securities that they are inherited, irrespective of retaining securities which are financially good. This phenomenon is more often the conclusion of fear of heirs', that selling out exhibit disloyalty to the prior generations. Endowment bias constraint investors to keep their securities which they have purchased or inherited because they are acquainted with behavioral features of these endowed investments. Although, familiarity does not reasonably justify a badly performing bond or stock (Kahneman et al., 1990).

Research Methods

A survey instrument was developed from the prior literature to collect data from investors investing in the Pakistan's Stock Market. A total 500 questionnaires are distributed among both active and those who are willing

to invest in the stock market. The sampling technique utilized was convenience sampling. Descriptive and multiple linear regression analysis was performed to analyze the gathered data. Table 1 illustrates the internal consistency reliability, convergent validity and discriminant validity while Table 2. shows the data normality and multicollinearity test respectively that is utilized to test the validity and reliability of the survey instrument. The internal consistency table indicated the overall internal consistency to be 0.7 while the convergent validity and discriminant validity also showed that the instrument is valid. Usually, items with the value of factor loadings more than 0.4 is considered as acceptable and all the items in the survey instrument provided the value of factor loading more than 0.4.

Table. 1. Internal Consistency and Convergent Validity Test

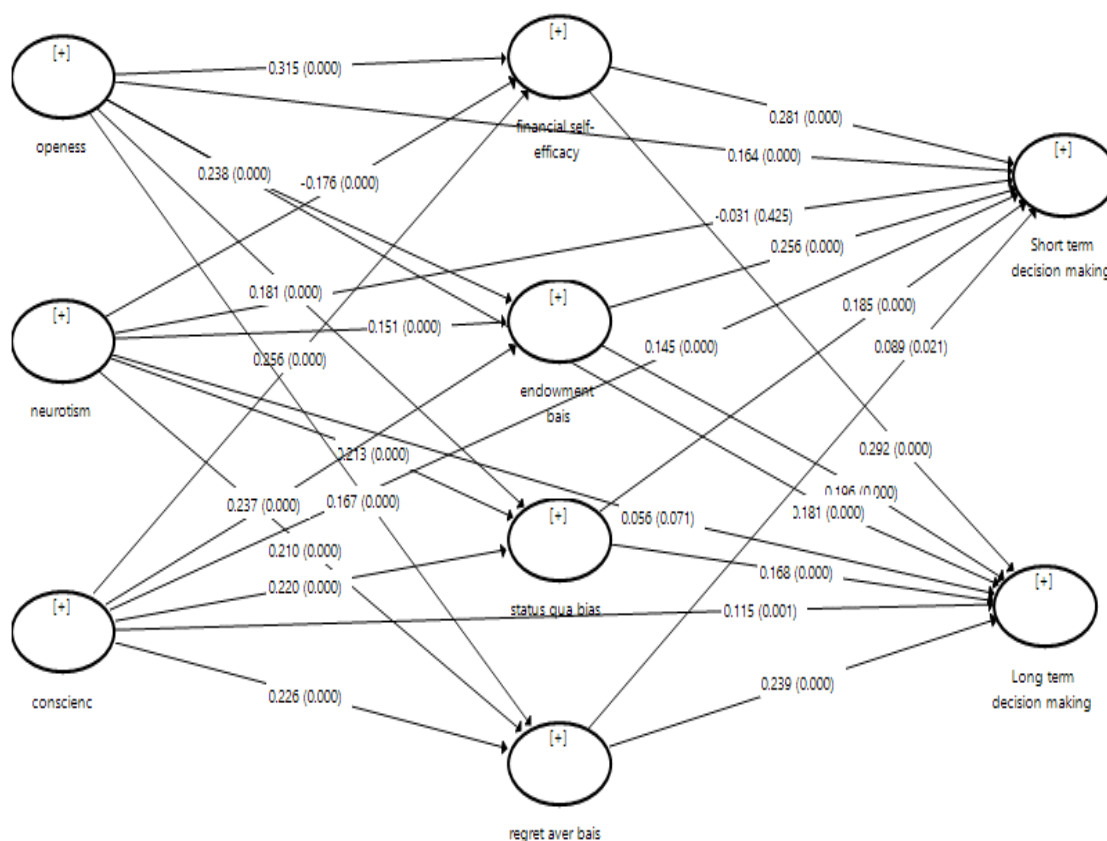
Variables	Dimensions	Items	Cronbach Alpha	rho A	Composite Reliability	Average Variance Extracted (AVE)
Personality Traits						
	Conscientiousness	5	0.828	0.829	0.879	0.593
	Neuroticism	4	0.798	0.801	0.869	0.623
	Openness to Experience	4	0.816	0.821	0.879	0.644
Individual Mood		4	0.817	0.831	0.878	0.644
Need for Cognition		3	0.76	0.773	0.861	0.674
Cognitive Biases						
	Regret Aversion Bias	4	0.854	0.854	0.901	0.695
	Status Quo Bias	3	0.785	0.797	0.874	0.699
	Endowment Bias	3	0.821	0.822	0.894	0.737
Financial Self Efficacy		4	0.858	0.859	0.904	0.701
Investment Decision						
	Short Term	5	0.9	0.9	0.926	0.713
	Long Term	6	0.927	0.928	0.943	0.732

Table. 2. Data Normality and Multicollinearity Test

Description	Mean	Standard Deviation	Excess Kurtosis	Skewness	VIF
Conscientiousness	3.022	0.918	0.017	-0.181	1
Long Term Decision Making	2.959	1.342	-0.203	0.113	1.3
Short Term Decision Making	3.054	1.236	0.017	0.12	1.3
Endowment Bias	2.995	1.108	-0.104	-0.017	1.2
Financial Self-Efficacy	3.064	1.077	-0.272	0.056	1
Need for Cognition	2.999	0.909	-0.316	-0.061	1
Neuroticism	2.989	0.871	0.01	0.204	1
Openness to Experience	2.951	0.926	-0.197	-0.097	1.2
Regret Aversion Bias	3.031	1.111	-0.245	0.047	1
Individual Mood	3.014	0.952	-0.117	-0.032	1.1
Status Quo Bias	2.955	1.094	-0.179	0.152	1

1. Bootstrapping (Direct and Indirect Effect Results)

To analyze the impact of personality traits on investment decision with a mediating role of financial self-efficacy and emotional bias and with the moderating role of need for cognition and individual mood bootstrapping was performed. The outer path is as below:



To test the proposed relationship between variables and the structural model, path coefficients between latent variables were assessed. A path coefficient value should be at least 0.1 to account for a certain impact within the model (Hair et al., 2011; Wetzels et al., 2009). Of these path coefficients in this model (see Table 5), all of proposed sub-hypotheses were supported except two path relationships due to insignificant effect size and relevance. Supported hypotheses are significant at the level of 0.05, have signs in the expected directions, and possess a path coefficient value std Beta (β) ranging from 0.17 to 0.29.

As shown in the table, individual personality traits significantly predict managers financial self-efficacy and emotional biases, personality traits also significantly relate to financial behavior of managers, among the direct paths financial self-efficacy has significant effect size ($f^2=14\%$ and $\beta=.29$) in predicting financial decision-making behavior. Moreover, openness among personality traits brings a significant but larger direct effect in predicting manager's financial self-efficacy, emotional biases and decision-making behaviors. However, neuroticism did not bring any sizeable effect in decision making behavior but its effect size with emotional biases is significant, in addition neuroticism negatively and significantly predict manager's financial self-efficacy ($\beta=-0.173$, $f^2=4\%$).

By performing bootstrapping test, which was used here to test the significance of the mediating variables proposed in the current study, both the level of significance of the direct and indirect relationships were investigated. The result of mediation paths (table) shows that both manager's financial self-efficacy and biases mediate the relationship between personality traits and financial decision-making behaviors. The total path from personality traits to financial decision was rendered as ($c=0.58$, $p=.000$) of which the indirect or mediation effect explained by financial biases was ($c'=0.21\%$, $p=.000$) and financial self-efficacy ($c'=12\%$, $p=0.00$), and a total of 32% overall indirect effect. Personality traits alone explains about $a=24\%$ of direct variance in financial decision-making behavior, this means that both the mediators are able to better explain the model and can better predict short- and long-term financial decision making of managers.

Conclusion

The previous work done in this area i.e., Behavioral Finance is largely based on biases effects on investment decision. In this research study the personality influence over the investment decisions is backed by strong theoretical support. The research model used here is in accordance with the theory of planned behavior which has been empirically validated in different other research studies. The conclusion drawn is that there is a significant impact of psychometric factors on various aspect of the investment process. During this research study it was found that Individual personality traits significantly predict managers financial self-efficacy and emotional biases, personality traits also significantly relate to financial behavior of managers furthermore all of proposed sub-hypotheses were supported except two path relationships due to insignificant effect size and relevance. The result of mediation paths shows that both manager's financial self-efficacy and biases mediate the relationship between personality traits and financial decision-making behaviors. In addition to this the moderation effects of need for cognition in the relationship between personality traits and emotional biases which is insignificant. However, need for cognition plays a significant role in strengthening the effects of personality traits in improving the manager's financial self-efficacy. Also, the results of personality traits with respect to short term and long-term decision making only neuroticism is not supported rest openness and consciousness result showed support towards long- and short-term decision making. Furthermore, the moderating role of individual mood between financial self-efficacy and decision-making behavior is stronger for manager having high sense of individual mood is also supported.

Implications

This research study has significant theoretical implications. For instance, this research study has used (need for cognition, financial self-efficacy and individual mood) model in an investment perspective having the concept that financial knowledge is positively correlated with a number of saving and other financial behaviors(Lusardi & Mitchell, 2014).

It proves that need for cognition of neurotic, investor's financial self-efficacy and individual mood act as facilitators for doing investment decision. The model used tends to be considered more useful for research in the associated fields as it suggests the investor's investment decisions are also established by high need for cognition, individual self-efficacy and individual mood.

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