

Examining the Influence of Big Five Personality Traits and Financial Behaviour on Portfolio Investment Decisions Among Individual Investors

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ABSTRACT

The aim of the research was to explore the effects of the Big Five personality traits and financial behaviour on the portfolio investment decision that was made by individual investors, with emphasis the function that finances conduct as a bridging element among personality profiles and choices regarding investments. The descriptive research design was used and convenience sampling technique was used in the collection of primary data from 350 individual investors while the secondary data was obtained through academic journals with peer review, RBI publications and financial publications. For the testing of the hypothesized relationships, percentage analysis, descriptive statistics, Analysis of Variance (ANOVA), Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) were used. Reliability analysis confirmed strong the level of internal consistency between each of the four dimensions (Cronbach's Alpha varying from 0.813 to 0.989) and the structural model demonstrated an acceptable overall fit (CMIN/DF = 3.334, GFI = 0.934, CFI = 0.921, RMSEA = 0.054). However, structural path coefficient analysis showed that all five hypothesized paths among psychological characteristics, personality traits, financial behaviour and investment decisions were statistically non-significant (p-values ranging from .167 to .504). This denotes that financial action does not considerably mediate the link among psychological features and investment choices, and that psychological characteristics do not directly impact personality types or financial behaviour, regardless of their resiliency the measurement model itself.

Keywords: The Five Factor Model of personality; Monetary conduct; Private investors; Investment choices regarding portfolios; Psychological traits; Risk perception

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INTRODUCTION

The research describes the impact of the Major Five Personality Traits (extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience) about the formulation of investment choices. A difficulty is in the fact that the relationship between personality and investment conduct is not always apparent according to the investor. behaviour [1]. The investors and policy makers select the people for investing activities based on their personality, risk-taking capability and provide financial education [2]. However, behavioral finance analyzing their psychological factors which

often affect investors' decisions [3] explored how cognitive biased knowledge can influence investors' decisions, stressing the importance of psychological aspects in investor decision making. [4]. Knowing what factors affect the way people invest is crucial for optimizing portfolios in financial decisions making [5]. Besides, the studies in the Personality investments field have highlighted that personality traits are dynamic in life, and hence it is recommended to study personality traits in longitudinal design, which reflects the developmental change of the personality traits in risk preferences [6]. The psychological factors affecting investment

decision making and investment behavior have effects on risk management and investment success [7]. Personal investment behaviour is a result of the interaction of psychological and financial factors [8]. Psychological aspect of an individual has direct impact on the investment decision and it will influence an individual to select the assets that will fit their risk tolerance level [9]. Moreover, easy access to trading platforms may result in speculate activities and impulsive decision making [10]. The inclusion of the fundamental and technical aspect and the psychological aspect of an investor in the decision making could help the potential investors to enhance their risk adjusted performance [11].

Consequently, investors aim to buy high and sell low and attempt to build a portfolio of their own tastes and preferences [12]. The perceptual drift from the rational investor, as it relates to the investment decision, is analysed and explained using the tools of cognitive psychology, which is the approach of behavioral finance. [13]. The heightened risk perceptions may diminish the number of investments as well as decrease the level of risk taking [14]. Furthermore, financial behavior and investment decision making can be influenced in a complex and nonlinear manner [15].

Information technology mentioned the financial decision and proposed to incorporate the behavioural aspect to ensure the quality of financial decision making [16]. Personality traits are crucial to be aware of in terms of their own behaviours to put the person in a more favourable position for investment performance [17].

Risk tolerance is one of the key elements in an investment plan, which affects how appropriate an individual's asset allocation and investment strategy is for them [18]. The traditional finance theory is rooted in the idea of mean-variance portfolio theory, investor rationality and market efficiency [19].

STATEMENT OF THE PROBLEM

Individual investment Choices are shaped not solely by monetary data along with by neurological and behavioural elements. Nevertheless, the impact of the Big Five personality dimensions on financial conduct and portfolio investment decisions remains insufficiently examined. Financial behaviour could be a key channel through which personality factors can contribute to the investment decision, and personality traits could influence financial practices and risk preferences and impact investment choice. Hence, the present study is to explore the relationship between the Big Five of academic personality characteristics and financial conduct as well as business outcomes portfolio choice decisions of individual investors with a focus on financial behaviour as a mediator.

SCOPE OF THE STUDY

The objective of the research is to examine the correlation between financial behaviour, personal attributes (Big Five personality traits), and the selection of investment portfolios among a group of investors. The research examines the five personality-type dimensions: extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience and investigates their relationship with the investors' financial behaviors, risk preferences, and investment decisions. Further, this study delves into the mediator's role in terms of financial behaviour on the connection among personality traits and investment choices, assessing if financial behaviour serves as a mediator in this context is determined. The study is concerned with individual investors and only covers the individual aspects of individual portfolio investment that have a psychological and behavioural component, such as financial management practice, preference for investment, risk preferences and decision-making behavior. It examines the perceptions and experiences of the individual investor and therefore offers an integrated perception of the role of personality features and financial behaviour in the decision in portfolios to invest.

OBJECTIVES OF THE STUDY

- ❖ To analyse the contribution of individual psychological characteristics towards investors' behavioural patterns and investment choices among individual investors.
- ❖ To investigate the mediating role of financial behaviour in the relationship between personality traits and portfolio investment decisions.
- ❖ To assess the relative contribution of openness, conscientiousness, extraversion, agreeableness, and neuroticism to financial behaviour among individual investors.
- ❖ To evaluate the influence of financial behaviour on portfolio investment decisions among individual investors.
- ❖ To formulate strategic recommendations for financial advisors and institutions to enhance portfolio investment decisions by considering personality traits and financial behavior.

LITERATURE REVIEW

Individual Psychological Characteristics and Investors' Behavioural Patterns

Behavioral finance also examines the influence of psychological characteristics on monetary decisions and reveals the limitations of the traditional financial theory [20]. Current studies suggest that behavioural finance serves as the appropriate framework that supports the methodical psychological mechanisms influencing human emotions and cognitive biases in investment decisions [21]. Behavioural finance can

be divided into five primary branches, each investigating certain facets involving risk assessment and investing choices [22]. Behavioural finance, a discipline within the field of finance research that examines the impact of psychological factors on financial choices reveals a notable shortcoming in conventional finance frameworks [23].

Similarly, behavioral finance research studies also underscore the same views and discuss that improves investors' abilities [24]. These conditions foster behavioral patterns such as fear of missing out and speculative herding among investors [25]. Individual investors are rational participants of financial markets, who take optimal investment decisions based on available information, while not affected by psychological, emotional, or heuristics factors [26]. As per Forgas, the multifaceted aspects of an investor's decision-making enhance the relevance of emotional or academic responses [27]. The research shows that individual psychological characteristics significantly influence investors' behavioral patterns [28]. According to this, a corresponding hypothesis is formulated:

H1: Individual Psychological traits exert a considerable impact on investors' behavioral patterns.

Mediating Role of Financial Behavior in the Relationship between Personality Traits and Portfolio Investment Decisions

The research on behavioural finance can be divided into five principal categories and investigates crowd behaviour along with its influence on risk assessment and investment choices [29]. Capital Investment decision-making process through contesting the rational assumptions of traditional financial theories such as Modern Portfolio Theory [30]. Research on behaviour worldwide demonstrates that individuals interpret risk varies according to the situation, which ultimately impacts their capital strategies [31].

These results emphasize that interpersonal influences frequently function indirectly by molding attitudes and perceptions of risks [32]. Furthermore, The Big Five personality dimensions can elucidate the behaviour of trader's personality attributes may contribute to their irrational behavior [33]. The theories of contribute an explanation of how behavioral factors influence investment decisions [34]. Visual cues and emotions relating to the contours of price trajectories affect investing choices [35]. This forms the basis of the following research hypothesis:

H2: Financial behaviour significantly mediates the correlation relates to the Big Five personality characteristics and particular traders' portfolio investing choices.

Relative Contribution of Personality Traits to Financial Behaviour among Individual Investors

Financial behaviour might be regarded as overseeing individuals' fiscal circumstances, executing judicious acquisitions, and administering their debts, savings, and assets [36]. The Big Five personality framework is particularly extensively studied and widely acknowledged framework in behavioural psychology [37]. This conclusion yields a new comprehension that individual attributes play a role in investment results [38].

This character attribute has been demonstrated to have a favourable correlation with investing in high-risk assets, such equities, and with repeated trading activities [39]. The investigation into personality traits and academic achievements often highlights specific domains such as financial preferences [40]. An individual's cognitive and behavioural patterns are predominantly influenced by personality traits [41]. The distinct personality traits outlined above have been shown to affect expenditure, financial strategies, and risk appetite [42]. The framework categorizes investor personalities according to their levels of confidence [43]. Accordingly, the subsequent hypothesis is advanced:

H3: Personality traits significantly contribute to financial behaviour among individual investors.

Influence of Financial Behaviour on Portfolio Investment Decisions among Individual Investors

Three components are important in the individual behavior: Perspectives on conduct, societal expectations, and alleged agency over actions [44]. Investors are more afraid of losing an investment than the equivalent gain, which may lead them to cling to a losing investment and sell a successful one too early [45]. Retail investors cause irrational behaviors, which influence the decision making of institutional investors.[46] An investment decision-making context provides a way of unpacking the complexity of risk perception, with a multitude of factors intermingling and contributing to the understanding of risk held by individuals [47]. The findings of the role of risk perception as a mediating variable highlight the complex The correlation among behavioural finance and the decision-making processes of traders[48].The extent to which geographical differences affect investment decision-making and investment returns has been well studied [49]. The research was centered around the following.

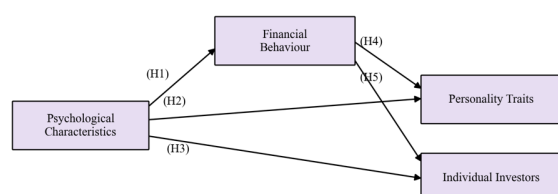
H4: Financial behaviour has a considerable affirmative impact on portfolios investment choices made by private investors.

RESEARCH GAP

Previous studies have shown that personality traits and financial behaviour have some impact on individual investment decisions, but there is no clear integration of the literature, especially regarding the interaction between personality traits and financial

behavior on portfolio investment decisions. Most of the literature on the relationship has focused on The individual aspects of personality types, financial behaviour, risk perception, and investment choices have been examined independently; yet the cumulative influence of the Big Five personality qualities on financial behaviour and portfolio investment decisions has garnered attention. Furthermore, the correlation among the financial conduct of the five personality types and invested portfolios decision haven't received much attention particularly for individual investors.

Figure 1. Conceptual Framework of Big Five Personality Traits, Financial Behaviour and Portfolio Investment Decisions among Individual Investors



This framework, derived from the five major character traits dimensions, proposes that Psychological Characteristics positively impact on Financial Behaviour, which is related directly to Personality Traits, and which also directly impacts on Individual Investors; Psychological Characteristics also positively impact on Individual Investors, directly and indirectly through Personality Traits. Combined these hypotheses outline a theoretical framework for a multilevel model in which the Investment Outcomes are related to the Financial Behaviour and Personality Traits of individual investors.

3. RESEARCH METHODOLOGY

Type of Research: Descriptive Collecting Data

Primary Data: Structured survey was conducted among individual investors to examine their personality traits, financial behaviour and portfolio investment decisions.

Secondary Data: Peer-reviewed journals, books, RBI reports, financial publications and other verified digital sources.

Sampling Method: Convenience Sample
Sampling Universe Individual investors participating in various investment activities and portfolio investment decisions.

Sample Size: 350

Table 1: Reliability of the Study

Sno	Dimensions	Number of items	Cronbach Alpha
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			value
1	Influence of Psychological Characteristics on Investment Behaviour	5	0.923
2	Mediating Role of Financial Behaviour in the Relationship between Personality Traits and Portfolio Investment Decisions	5	0.813
3	Relative Contribution of Personality Traits to Financial Behaviour among Individual Investors	5	0.828
4	Influence of Financial Behaviour on Portfolio Investment Decisions among Individual Investors	5	0.989

According to the reliability analysis (Table 1) all four dimensions have Cronbach's Alpha coefficients are markedly higher than the threshold of 0.70, varying between 0.813 to 0.989. The findings indicated that the greatest accuracy was observed in the impact monetary behaviour on investment decisions in the investment portfolio ($\alpha = 0.989$) and the influence of psychological characteristics on investment behaviour ($\alpha = 0.923$) both of which have good psychometric properties and are empirically adequate.

Tools for the study: Percentage Analysis, Descriptive statistics, ANOVA, Confirmatory Factor Analysis, Structural Equation Modelling.

LIMITATIONS OF THE STUDY

- ❖ The research exclusively focused on psychological and personality traits and did not consider other influential factors like market conditions.
- ❖ The study was cross-sectional and therefore did not capture changes in behaviour over time.
- ❖ The study did not monitor the behaviour of investors longitudinally, which limited the

understanding of causal relationships between variables.

DATA ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

Table 2: Demographic Variables of the Investors

Demographic Variables	Particulars	Frequency	Percentage
Gender	Male	196	56.0
	Female	154	44.0
Age Group	Below 25 Years	74	21.1
	25–34 Years	86	24.6
	35–44 Years	69	19.7
	45–54 Years	57	16.3
	Above 55 Years	64	18.3
Marital Status	Single	89	25.4
	Married	68	19.4
	Divorced	62	17.7
	Separated	76	21.7
	Widowed	55	15.7
Residential Location	Urban	98	28.0
	Semi-Urban	86	24.6
	Rural	74	21.1
	Metropolitan	92	26.3
	Total	350	100.0

Among the 350 investors, the age distribution indicates that 21.1% are below 25 years, 24.6% are in the 25–34 years, 19.7% are in the 35–44 years, 16.3% are in the 45–54 years and 18.3% are above 55 years. The gender distribution shows that 56% male and 44 %female. As per marital status analysis, 15.7% of the people are widows, 25.4% single, 17.7% divorced, 21.7% separated people. With respect to the various areas where the investors are living, 28% live in urban areas, 24.6 % in semi-urban areas, 21.1 % in rural areas and 26.3 % in metropolitan areas.

Table 3: Sociographic Variables of the Investors

Sociographic Variables	Particulars	Frequency	Percentage
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Financial Responsibility Status	Very Low Responsibility	58	16.6
	Low Responsibility	73	20.9
	Moderate Responsibility	62	17.7
	High Responsibility	66	18.9
	Very High Responsibility	91	26.0
Financial Awareness	Very Low	66	18.9
	Low	48	13.7
	Moderate	88	25.1
	High	77	22.0
	Very High	71	20.3
Investment Goals	Wealth Accumulation	47	13.4
	Financial Independence	76	21.7
	Future Security	68	19.4
	Regular Income	97	27.7
	Long-Term Growth	62	17.7
Portfolio Monitoring	Frequent Monitoring	71	20.3
	Occasional Review	58	16.6
	Market-	64	18.3

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	Based Monitoring		
	Goal-Based Review	89	25.4
	Rare Monitoring	68	19.4
Investment Preference	Safety-Oriented	64	18.3
	Balanced Approach	69	19.7
	Growth-Oriented	81	23.1
	High Return-Seeking	57	16.3
	Opportunity-Based	79	22.6
	Total	350	100.0

The financial responsibility status of 350 investors was distributed as follows: very high 26 percent, very low 20.9 percent, moderate 17.7 percent, high 18.9 percent, and low 16.6 percent. 25.1% of them have moderate level, 22% have high, 20.3% have very high, 18.9% have very low and 13.7% have low level of financial awareness.

The profile of investment goals indicates that 27.7% invest for regular income, 21.7% aim for financial independence, 19.4% seek future security, 17.7% focus on long-term growth and 13.4% pursue wealth accumulation. The trends in portfolio monitoring reveal that 25.4% undertake goal-based reviews, 20.3% engage in frequent monitoring, 19.4% practice rare monitoring, 18.3% follow market-based monitoring and 16.6% conduct occasional reviews.

The investment preference of investors indicates that 23.1% are growth-oriented, 22.6% follow an opportunity-based approach, 19.7% prefer a balanced approach, 18.3% are safety-oriented and 16.3% are high return-seeking investors.

Table 4: Influence of Psychological Characteristics on Investment Behaviour

Statements	N	Mean	SD
Psychological attributes shape investors' perceptions and investment judgments.	350	3.13	1.427

Emotional control affects investors' ability to make rational investment decisions.	350	2.89	1.395
Association between psychological attributes and investment decision processes.	350	2.89	1.372
Contribution of psychological traits in shaping investors' behavioural responses.	350	2.94	1.437
Impact of individual psychological dimensions on investment choices and preferences.	350	3.06	1.410
Valid N (list wise)	350		

The preceding table demonstrates that investors concur with psychological attributes shape investors' perceptions and investment judgments (3.13) and impact of individual psychological dimensions on investment choices and preferences (3.06). The investors disagree with emotional control that affects investors' ability to make rational investment decisions (2.89), association between psychological attributes and investment decision processes (2.89) and contribution of psychological traits in shaping investors' behavioural responses (2.94).

Table 5: Mediating Role of Financial Behaviour in the Relationship between Personality Traits and Portfolio Investment Decisions

Statements	N	Mean	SD
Investors evaluate their financial readiness before initiating investment commitments.	350	2.95	1.430
Personal financial priorities shape the selection of suitable investment avenues.	350	2.98	1.380
Regular assessment of financial conditions influences portfolio reallocation decisions.	350	3.05	1.378

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Individual financial decision patterns determine the timing of investment actions.	350	2.96	1.413
Anticipated future financial obligations guide long-term portfolio construction.	350	2.92	1.474
Valid N (list wise)	350		

The table demonstrates that the investors are at odds regarding evaluating their financial readiness before initiating investment commitments (2.95), personal financial priorities shape the selection of suitable investment avenues (2.98), individual financial decision patterns determine the timing of investment actions (2.96) and anticipated future financial obligations guide long-term portfolio construction (2.92). The investors agree with regular assessment of financial conditions that influences portfolio reallocation decisions (3.05).

Table 6: Relative Contribution of Personality Traits to Financial Behaviour among Individual Investors

Statements	N	Mean	SD
Psychological attributes influence investors' financial attitudes and behavioural responses.	350	2.93	1.398
Personality Characteristics as Predictors of Individual Financial Decision-Making Behaviour.	350	3.00	1.351
Influence of Personality Dimensions on Risk Perception and Investment Behaviour Formation.	350	3.04	1.383
Personality-Oriented Factors Affecting Financial Choices and Investment Behavioural Outcomes.	350	3.06	1.397
Role of Individual Personality	350	3.04	1.425

Profiles in Determining Financial Behavioural Tendencies among Investors.			
Valid N (list wise)	350		

The table demonstrates that the investors are at odds regarding psychological attributes influence investors' financial attitudes and behavioural responses (2.93). The investors agree with influence of personality dimensions on risk perception and investment behaviour formation (3.04), personality-oriented factors affecting financial choices and investment behavioural outcomes (3.06) and role of individual personality profiles in determining financial behavioural tendencies among investors (3.04). The investors are neutral towards personality characteristics as predictors of individual financial decision-making behaviour (3.00).

Table 7: Influence of Financial Behaviour on Portfolio Investment Decisions among Individual Investors

Statements	N	Mean	SD
Financial Behavioural Determinants Shaping Portfolio Investment Decisions among Individual Investors	350	3.06	1.453
Role of Financial Behaviour Patterns in Individual Investors' Portfolio Decision-Making	350	3.06	1.403
Financial decision-making tendencies affect the selection of investment options and portfolio distribution.	350	3.03	1.364
Risk perception affects individual portfolio investment choices.	350	2.99	1.413
Financial Behavioural Factors Driving Investment Choices and Portfolio Strategies among Investors	350	2.85	1.429
Valid N (list wise)	350		

The preceding table demonstrates that the investors concur about financial behavioural determinants shaping portfolio investment decisions among individual investors (3.06), role of financial behaviour patterns in individual their portfolio decision-making (3.06) and financial decision-making tendencies affect the selection of investment options and portfolio distribution (3.03). The investors disagree with risk perception affects individual portfolio investment choices (2.99) and financial behavioural factors driving investment choices and portfolio strategies among investors (2.85).

Table 8: Comparison between the Demographic Variables (Age Group, Marital Status, Residential Location) of the Investors and Various Dimensions

Ho1: There is a substantial link between the demographic variables (Age Group, Marital Status, Residential Location) of the Investors and various dimensions.

Demographic Profile	F (IP)	Si g (IP)	F (MR)	Si g (MR)	F (RC)	Si g (RC)	F (IF)	Si g (IF)
Age Group	0.251	0.909	3.732	0.105	1.045	0.384	1.363	0.246
Marital Status	0.998	0.409	1.031	0.391	1.033	0.390	0.212	0.932
Residential Location	0.145	0.933	1.003	0.392	0.607	0.611	1.273	0.283

The ANOVA results testing Ho1 indicate that all significance values across Age Group, Marital Status, and Residential Location in relation to the dimensions (IP, MR, RC, IF) surpass the 0.05 limit, resulting in the endorsement of the null hypothesis and indicating that demographic variables have no statistically significant relationship with the dimensions examined among individual investors.

Table 9: Comparison between the Sociographic Variables (Financial Responsibility Status, Financial Awareness, Investment Goals, Portfolio

Monitoring, Investment Preference) of the Investors and Various Dimensions

Ho2: There is a substantial link between the sociographic variables (financial responsibility status, financial awareness, investment goals, portfolio monitoring, investment preference) of the investors and various dimensions.

Demographic Profile	F (IP)	Si g (IP)	F (MR)	Si g (MR)	F (RC)	Si g (RC)	F (IF)	Si g (IF)
Financial Responsibility Status	1.130	0.342	0.462	0.764	0.564	0.689	1.364	0.246
Financial Awareness	2.871	0.023	1.931	0.105	1.220	0.302	0.265	0.900
Investment Goals	0.968	0.425	0.958	0.431	0.643	0.632	0.226	0.924
Portfolio Monitoring	1.737	0.141	0.437	0.782	0.718	0.580	1.346	0.252
Investment Preference	0.113	0.978	1.713	0.147	0.261	0.903	0.741	0.565

The ANOVA results testing Ho2 reveal that most sociographic variables—Financial Responsibility Status, Investment Goals, Portfolio Monitoring, and Investment Preference—show no statistically significant relationship with the dimensions (IP, MR, RC, IF), as their p-values exceed 0.05; however, Financial Awareness demonstrates a notable correlation with IP ($p = 0.023$, $p < 0.05$), suggesting that investors' level of financial awareness significantly influences this particular dimension, while its relationship with MR, RC, and IF remains non-significant, leading to partial rejection of the null hypothesis.

Table 10: Confirmatory Fit Index for the Structural Model Examining the Influence of Big Five Personality Traits and Financial Behaviour on Portfolio Investment Decisions among Individual Investors

	Component	
	1	2
Influence of Psychological Characteristics on Investment Behaviour	.919	
Mediating Role of Financial Behaviour in the Relationship between Personality Traits and Portfolio Investment Decisions	.924	
Relative Contribution of Personality Traits to Financial Behaviour among Individual Investors		.932
Influence of Financial Behaviour on Portfolio Investment Decisions among Individual Investors		.935

The above table shows that the confirmatory fit index for The effect of psychological attributes regarding investment conduct (0.919), the intermediary role attributed to financial behaviour in the association within personality attributes and portfolio investment decisions (0.924), and the relative importance associated with personality traits in shaping financial behaviour exhibited by individuals as well as academic investors (0.932) and influence of financial behaviour on portfolio investment decisions among individual investors (0.935) are taking for the decision-making process of The research.

Table 11: Model Fit Summary for the Structural Model Examining the Influence of Big Five Personality Traits and Financial Behaviour on Portfolio Investment Decisions among Individual Investors

Full Model	CMI N/D F	P	R M R	G FI	A G FI	IF I	C FI	RM SE A
Observed value	3.334	<.001	0.043	0.934	0.934	0.923	0.921	0.054

e								
Observed value	≤ 5	<.05	<1	>0.90	>0.90	0.7-1.0	0-1	<.08

The synthesis of an analytical model shown in Table 10 reveals that the structural framework exhibits a favourable alignment with the facts. The acquired CMIN/DF metric of 3.334 falls within the acceptable threshold of ≤ 5 , while the p-value ($<.001$) confirms statistical significance. The RMR value is 0.043 which is much smaller the remaining error among observed and predicted covariance matrices is minor, as it is less than the suggested value of 1, while the GFI value of 0.934 above the advised threshold of >0.90 , signifying a favourable fit among the actual and anticipated data. predicted covariance matrices. This model is the complex one, but the adjusted fit value (AGFI value <0.917) is still satisfactory. The values of IFI (0.923) and CFI (0.921) The values fall between the intervals of 0.7–1.0 and 0–1, signifying a favourable incremental fit, while the RMSEA value (0.054) is beneath the threshold of 0.08. which suggests a reasonably close model approximation to the population data. These fit indices show good and acceptable the alignment of the suggested model indicates its legitimacy in the examination of the impact of Five Major Personality Qualities on Asset Venture Capital Decisions among the individual investors.

Table 12: Structural Path Coefficients for the Influence of Big Five Personality Traits and Financial Behaviour on Portfolio Investment Decisions among Individual Investors

Independent		Dependent	Estimate	S.E.	C.R.	P	Label
Mediating Role of Financial Behaviour	<--	Psychological Characteristics and Investment Choices	.043	.056	.759	.448	S
Personality	<--	Mediating Role	.074	.053	1.378	.168	S

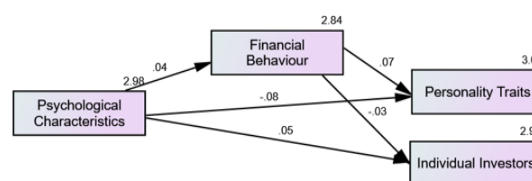
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Traits and Financial Behaviour		of Financial Behaviour					
Financial Behaviour and Investment Decisions	<--	Mediating Role of Financial Behaviour	- .032	.048	-.668	.504	NS
Personality Traits and Financial Behaviour	<--	Psychological Characteristics and Investment Choices	- .078	.056	- 1.382	.167	NS
Financial Behaviour and Investment Decisions	<--	Psychological Characteristics and Investment Choices	.050	.051	.987	.324	S

The structural path coefficients presented in Table 12 examine the hypothesized relationships among Psychological Characteristics, Financial Behaviour, Personality Traits, and Investment Decisions. All the five hypothesized paths were not significant based on the conventional significance criterion ($p < .05$) (p

values between .167 and .504). The regression coefficient of Psychological Characteristics on Financial Behaviour ($\beta = .043$) was not statistically significant (C.R. = .759, $p = .448$). On the other hand, the relationship between the mediating effect of monetary behaviour on monetary behaviour ($\beta = .074$, C.R. = 1.378, $p = .168$) and the mediating effect of monetary behaviour on investment decisions ($\beta = -.032$, C.R. = -.668, $p = .504$) were not statistically significant. In a similar vein, the direct influence of Psychological Characteristics on investment selection ($p = .167$) and on Financial Behaviour ($p = .324$) lacked significance tests. Overall, the results indicate that the correlation between Psychological Traits and Investing Choices is absent significantly mediated by Financial Behaviour and in the proposed structural model, the direct effect of Psychological Characteristics on Financial Behaviour is not statistically significant.

Fig. 2: Structural Model for Influence of Big Five Personality Traits and Financial Behaviour on Portfolio Investment Decisions among Individual Investors



The model diagram of a structure where the following Paths (beta values) are between the following groups of nodes: Psychological Characteristics, Financial Behaviour, Personality Traits and Individual Investors. A feeble positive association appears between Monetary Behaviour and Psychological Characteristics ($r = .04$), as well as a weak positive association between Financial Behaviour and Personality Traits ($r = .07$); and negligible and negative correlation between Financial Behaviour and Individual Investors ($r = -.03$). Psychological Characteristics correlated negatively with Personality Traits, directly with weak correlation ($\beta = -.08$); correlated directly with Individual Investors, in positive direction with weak correlation ($\beta = .05$). The squared multiple correlation (R^2), the error/residual variance terms or the mean values of the respective endogenous constructs are likely to be indicated by clusters of values above (or below) the constructs Financial Behaviour (2.84), Personality Traits (3.03), or Individual Investors (2.94), which represent the amount of variance explained or not explained within the model. Overall, the uniformly low path coefficients suggest weak structural relationships among the constructs, indicating that Psychological

Characteristics and Financial Behaviour exert minimal explanatory influence on Personality Traits and Individual Investors within this model.

FINDINGS

Demographic Variables of the Investors

Most of the investors are male. Most of the investors belong to the 25–34 years age group. Most of the investors are single. Most of the investors reside in urban areas.

Sociographic Variables of the Investors

Most of the investors have very high financial responsibility. Most of the investors have moderate financial awareness. Most of the investors prefer regular income as their investment goal. Most of the investors follow goal-based portfolio monitoring. Most of the investors have a growth-oriented investment preference.

Influence of Psychological Characteristics on Investment Behaviour

The investors agree with psychological attributes shape investors' perceptions and investment judgments and impact of individual psychological dimensions on investment choices and preferences. The investors disagree with emotional control that affects investors' ability to make rational investment decisions, association between psychological attributes and investment decision processes and contribution of psychological traits in shaping investors' behavioural responses.

Mediating Role of Financial Behaviour in the Relationship between Personality Traits and Portfolio Investment Decisions

The investors disagree with evaluating their financial readiness before initiating investment commitments, personal financial priorities shape the selection of suitable investment avenues, individual financial decision patterns determine the timing of investment actions and anticipated future financial obligations guide long-term portfolio construction. The investors agree with regular assessment of financial conditions that influences portfolio reallocation decisions.

Relative Contribution of Personality Traits to Financial Behaviour among Individual Investors

The above table indicates that the investors disagree with psychological attributes influence investors financial attitudes and behavioural responses. The investors agree with influence of personality dimensions on risk perception and investment behaviour formation, personality-oriented factors affecting financial choices and investment behavioural outcomes and role of individual

personality profiles in determining financial behavioural tendencies among investors. The investors are neutral towards personality characteristics as predictors of individual financial decision-making behaviour.

Influence of Financial Behaviour on Portfolio Investment Decisions among Individual Investors

The investors agree with financial behavioural determinants shaping portfolio investment decisions among individual investors, role of financial behaviour patterns in individual their portfolio decision-making and financial decision-making tendencies affect the selection of investment options and portfolio distribution. The investors disagree with risk perception affects individual portfolio investment choices and financial behavioural factors driving investment choices and portfolio strategies among investors.

RECOMMENDATIONS

- ❖ Financial advisors may use personality assessments to help tailor investment strategies to individual investors.
- ❖ Financial literacy programs can be developed by institutions, since awareness can lead to better financial behaviour of investors.
- ❖ Future investigations may utilise persistent methodologies to investigate how personality and behaviour change over time.
- ❖ Policymakers could incorporate behavioural finance into investor education to minimise impulsive decision-making.
- ❖ Researchers may add variables such as market conditions and risk perception as they may better explain investment decisions.

CONCLUSION

This study aimed to explore the individual investor's portfolio investment decision by focusing on the role of each personality trait of the “Big Five”, and to analyse the mediating role of financial behaviour. The correlation among personality traits and academic achievement and investing portfolio choices. The results indicated that financial responsibility level of the investors were high, the financial awareness level were moderate, the growth-oriented investment preference were moderate while the reliability analysis also showed that the research instrument has good psychometric properties.

Despite a high measurement model, however, the hypothesized relationships between psychological characteristics, personality traits and financial behaviour and investment decision were not statistically significant as revealed by the results of the structural equation modeling. This means that psychological traits did not directly influence the financial behaviour and psychological characteristics respectively, and psychological traits did not mediate

the relationship between psychological characteristics and investment choice, which did not show any significance.

From this, it can be concluded that the concept of personality and financial behaviour is still valid in the research of behavioural finance but the influence of these concepts on predicting investment decisions in money portfolio is limited. To get a comprehensive understanding of the investment decision-making of individual investors, future studies are recommended to take other behavioral, cognitive and contextual factors into account, as well as using a longitudinal design.

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