

**AN EMPIRICAL STUDY ON THE IMPACT OF
SELF-EFFICACY AND PERSONALITY TRAITS
ON INVESTMENT BEHAVIOUR OF WORKING
WOMEN IN COIMBATORE**

A THESIS

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CHAPTER 5

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

Investment Behaviour is an exciting area in academia and research field for a reasonably long period. It had evolved from different forms of investment concepts starting from investment awareness, risk tolerance, investment decision to behavioural finance especially dominant in handling investments in all sectors and categories and not only in specific products. The variations of investment concepts that investment managers experience as part of investment campaigns are huge, and they need ways to channelise and design suitable financial strategies to manage investment products in different categories. The product projection should match with the behavioural dimensions like self-efficacy and personality of customers in all categories in the marketing of related investment products and services, and investment professionals are in the requirement to improve the behavioural aspects of dealing with short and long-term fluctuations in different investment products and services. Investment sector is in the virtual arena, and productive financial strategies related to investment in this industry need knowledge on improving the attraction of working women than their investment counterparts in other categories. Specifically, in the investment avenue improvement perspective, investment managers adopt many suitable strategies to be ahead in the industry and win over competition and at the same time keep their products in vogue. The intense and dynamic scene of investment business today in the industry



has made continuous efforts necessary by the investment professionals to increase their knowledge on product visibility enhancement measures of self and competitors and create survival among severe challenges of the investment market requirements.

Investment enhancement strategies employed by investment managers especially those based on financial research have gained considerable attention in both academic research and Investment Behaviour practice in the recent years. Investment organisations are required to cope with working women and market demands increasingly and hence, the studies about different components of investment behaviour aspects of the products in such organisations has found a prominent place in academic and practical research. This present research study aims to explore the parameters of self-efficacy and personality traits possessed and their impact on investment behaviour as opined by working women in various corporate at Coimbatore. It also assesses the related perspectives of investment to find the lacunae in particular and offer recommendations for improvement. Various aspects of investment factors like personal investment details, influencing factors like level of investments, experience in investments, seeking financial advisor's help, saving objectives, the purpose behind investments, factors considered before investing, investment avenues, sectoral preference, knowledge of investment, managing their investments, investment goal, feeling about stock market, practices of saving, trading experience, financial responsibility, loss in investment, taking the risk of losing the principal amount, loss percentage risk, level of risk, involvement in savings, influences in handling money, financial security, learning about new investment, feeling about source of income, factors guiding investment decisions and investing style are dwelled upon in this research study. Based on the research findings, suggestions are presented to the investment companies to design suitable financial strategies to enhance



the investment product and service features in the market for working women investors to win over competition and get established in the long run.

This chapter presents the summary of the research findings consolidated by data interpretation and analysis. It includes a glimpse of essential tenets of the research study like objectives, hypotheses, a summary of findings, recommendations, suggestions for future research and conclusion.

5.1.1 MAJOR FINDINGS OF THE STUDY

The following are the significant findings of the study.

Personal Details

- Out of 480 working women, the majority of 37.5 per cent are in the age group of 36-45.
- It is observed that Maximum of 45.8 per cent working women is married.
- It is observed that majority of 45.8 per cent respondents are found highly educated and they have found that they are holding a post-graduate degree.
- The majority are government salaried. Majority of 37.5 percentage of the women investors belong to the income range rupees 2 - 4 lakhs.
- Majority of 66.7 per cent of respondents have stated that they spend below 25 per cent of their salary.
- Majority of 41.7 per cent of the working women opined that they do not have any dependents and the same per cent the respondents have 1-3 dependents.



5.1.2 Investment Strategies

- Majority of 87.5 per cent of them opined that they have experience in investments.
- Majority of 75 per cent of them opined that they do have a financial advisor.
- Majority of 45.8 per cent of them opined that they had Home Purchases as saving objective.
- Majority of 37.5 per cent of them opined that they have Future Savings as the purpose of the investment. Half of them opined that they consider Investment Risk before investment.
- Majority of 23.5 per cent of them opined that they consider Gold as a preferred investment avenue. The least preference is for shares and Deposits in Banks.
- Majority of 79.2 per cent of them opined that they consider public sector to invest money. Half of them opined that they possess good knowledge of investments.
- Majority of 41.2 per cent of them opined that they seek spouse advice to manage investments.
- Majority of 45.8 per cent of them opined that their investment goal is increasing the asset.
- Majority of 52.3 per cent of them opined that stock market is fundamentally at the correct level.
- Majority of 54.2 per cent of them opined that they look into investments once in 3 months.
- Majority of 58.3 per cent of them opined that they have to invest or trading experience of 1-4 years.
- Majority of 41.7 per cent of them opined that they have the responsibility for finance.



- Majority of 37.5 per cent of them opined that they would discuss with their family in case of loss of money in an investment.
- Majority of 70.8 per cent of them opined that they would not take the risk of losing principal.
- Majority of 54.2 per cent of them opined that they would consider the level of risk before taking a specific investment decision.
- Majority of 45.8 per cent of them opined that their involvement in savings has increased.
- Majority of 45.8 per cent of them opined that their peer group influences are handling money.
- Majority of 41.7 per cent of them opined that their families are not financially secured.
- Majority of 41.7 per cent of them opined that they learn about new investments from a financial advisor. Half of them opined that their source of income is predictable but not fluctuate.
- Majority of 37.5 per cent of them opined that they have considered safety as factors guiding investments.
- Majority of 45.8 per cent of them opined that they have to invest style of extremely conservative.

5.1.3 Self-Efficacy

Regarding the self-efficacy of the respondents, the majority of them scored high as per mean values for each parameter. Among the parameters of self-efficacy, the opinion for 'I can usually handle whatever comes my way' is high therefore ranking one and 'I can always manage to solve difficult problems if I try hard enough' had the least preference with a mean score of 2.58. It could be observed that 'I can remain calm when facing difficulties because I can rely on my coping abilities' is considered as the



second important factor of the self-efficacy with the mean score of 3.58 and 'Thanks to my resourcefulness, I know how to handle unforeseen situations' is considered as the third import source of the self-efficacy with the mean score of 3.54.

5.1.4 Personality Traits

Regarding personality traits, it is observed that 'Is curious about many different things' is considered as the First personality trait with a mean score of 4.63. 'Is original, comes up with new ideas' is considered as the Second personality trait with a mean score of 4.54 and 'Is full of energy' is considered as the Third personality trait with a mean score of 4.38. 'Starts quarrels with others' is considered as the last personality trait with a mean score of 1.79.

5.1.5 Investment Decision and Personality Traits

There is a significant relationship between investment decision made by working women and their personality traits. Moreover here there is positive but low degree correlation between Investment Decision and Personality Traits. Further, multiple regression showed a good relationship between investment decision and personality traits. There is no significant relationship between risk tolerance made by working women and their personality traits. However, there is a positive and very low correlation between Risk Tolerance and Personality Traits that are not significant. There is no significant relationship between Investment Decision of working women and their Risk Tolerance. However, there is a positive and meagre degree of correlation between Investment Decision and Risk Tolerance that is not significant. These findings are in concurrence with some previous studies like

influence of future time perspective, financial knowledge and financial risk tolerance on retirement savings behaviour, JM Jacobs (2005).

5.1.6 Investment decision, Self-efficacy and Personality traits

Further, multiple regression showed the little relationship between Risk Tolerance and Investment Decision. There are significant interrelationships found among self-efficacy, personality traits and investment behaviour factors of working women. There is a positive and low degree of correlations among these variables.

The demographic variables Education and Percentage of Salary Spent on Investment significantly influence Personality Traits. The other demographic variables do not influence personality traits. Some of the earlier studies show akin patterns related to investments.

Structural Equation Modelling shows reasonable model fit for the structural model. The Normed-Fit Index (NFI) and Root Mean Square Error of Approximation (RMSEA) indicate that the proposed research model fits the data reasonably.

5.2 RECOMMENDATIONS

The following recommendations are presented for the investment managers as well as the investment product and service organisations based on the study results and elaborate findings. Investment offerings for working women should consider the findings of the research study. The majority are in the age group of 36-45. The investment features have to match this age group need for investment. As maximum are married, more family oriented investment products and services should be focused upon by investment



companies. More information can be provided in brochures suitable for educated investors. Percentage of their salary spent on investments is low and can be made higher by attractive value-added features. Financial advisory services can be provided as many do not have financial advisors. Home purchases and Future savings can be focused more on women investor advertisements and offers. The minimisation of investment risk can be done by hedging and other measures to attract investments. Gold is the preferred investment, and least preference is for shares and Deposits in Banks. These avenues should be promoted more than other avenues. The public sector is preferred to invest money, and other sectors should add more safety factors to build the trust of women investors.

As half of them possessed good knowledge of investments, others can be educated by various modes like advertisements, mail messages, pamphlets and the like. Avenues to increase asset are most preferred and can be added to the portfolio. The stock market is opined to be fundamentally at the correct level and can be maintained. More investment products and services aimed at women should be introduced as they have started managing investments. Safety and lesser risk should be significant features of women related investment offerings. Family coverage in investment products and services is an added value. As the source of income is predictable but not fluctuate, investment offerings should be suitable to such volatilities. Majority of them have an investing style of extraordinarily conservative and hence features have to be added based on this style.

Many have chosen self-efficacy parameter of handling whatever comes on the way showing bold decisions in investment also, and investment promotion material should focus more on this factor and managing to solve difficult problems if tried hard enough had the least preferred. This parameter



has to be given more focus on advertisements like the women investors are solving problems.

Regarding personality traits, it is observed that curious about many different things is considered as the first personality trait and starts quarrels with others is considered as the last personality trait. These traits to be considered for high and low focus in investment promotional material. There is no significant relationship between risk tolerance made by working women and their personality traits. Hence risk factors need not focus much on the personality of women investors. There are significant interrelationships found among self-efficacy, personality traits and investment behaviour factors of working women. Hence both self-efficacy and personality traits have to be concentrated upon in investment behaviour aspects. The demographic variables Education and Percentage of Salary Spent on Investment significantly influence Personality Traits and therefore to be focused upon in investments.

5.3 SUGGESTIONS FOR FUTURE RESEARCH

The Research study is conducted among working women in corporate at Coimbatore about various investment behaviour, self-efficacy parameters and personality traits to assess their investment behaviour aspects especially their awareness, risk tolerance and investment decisions. The following areas can be explored further in future studies.

1. The present study was confined to the investment behaviour concepts by obtaining an opinion from working women in Coimbatore. Future studies may be extended to all the categories of investors in Coimbatore.



2. Future studies may focus on the same variables extended to other districts in Tamilnadu and the whole of India
3. The causal relationships between demographic variables and investment behaviour; self-efficacy and personality traits can be analysed in detail to bring out more profound insights into the specific parameters.
4. The study of exploring investment behaviour of working women can be extended to other investment aspects.
5. The study of exploring self-efficacy and personality traits of working women can be extended to other behavioural aspects.

5.4 CONCLUSION

Investment product or service focused organisations are required today in mostly all investment avenues to cope up with the increased demands of all categories of stakeholders. The need is more in working women investors since that category is in the rise. Dealing with such investors and handling their variety of requirements needs more knowledge on the behavioural factors that influence investments. The research study has tried to find the impact of self-efficacy and personality traits on investment behaviour of working women and financial strategies that can be adopted by investment companies to improve their product offering in the market. The survey is done among working women as they are becoming more aware of the nuances of investments and related aspects. It aimed to design financial strategies for enhancing investment product or service deliverables, found out and analysed in detail about its related perspectives, explored the other behavioural factors influencing such phenomenon, assessed their impact and use of integrated investment programmes to improve better visibility, financial strategies to cope up demands of modern working women, analyse in detail the relationship



among self-efficacy and personality traits with investment behaviour and suggested financial management measures to enrich product or service visibility and gain superiority amidst competition. The significant results of the research show that self-efficacy, personality traits and investment behaviour considered in the study are mostly related to each other, and overall investment improvement can be focused upon in combination.

The investment industry is selected because of its financial dynamics and critical investment change needs than traditional businesses. Also, the behavioural aspects influencing the investment of working women in various perspectives are analysed. Application studies of the investment behaviour concept are not much found in the literature as compared to the other conceptual researches and investment studies. The previous studies in the areas of investment behaviour are found to be in the areas of Conceptual studies, Dimensions, Sources and Outcomes. Detailed analysis of the investment behaviour of working women in different investment products and services, investment patterns and related investment industry issues are explored in other studies. Investment behaviour enhancement details of the working women and its dimensions in the industry is not studied in detail despite the necessity for the investment companies to become investor-centric organisations in the current scenario to combat competition. It is in this context; this study is carried out to find the impact of self-efficacy and personality traits on investment behaviour in the category of working women to become successful investment organisations and suggest practical guidelines for implementation of the investment behaviour concept. To add a unique status to the study, the researcher has analysed the self-efficacy and personality traits of working women to know their parameters. Also, the variation in perception across the investment concepts of the respondents is brought out through elaborate analysis. Hence, in these aspects, the present study is different from previous studies and maintains its originality.



The extent of possession of investment knowledge is reasonable and its various behavioural aspects are high in the working women category. It is found to be high due to the higher importance is given to investment company efforts prevailing in the industry. Based on the various insights of investment behaviour among the working women, the study emphasises on the top priority areas to be improved for higher investment in this category. It stresses upon behaviour oriented activities, which help to change the mindset of working women towards an investment paradigm and sculpt activities with inbuilt financial orientation.

This research is the revelation that behavioural factors influence possession of investment skills by working women behavioural factors. Also, the study calls for a multi-faceted approach including all the stakeholders to improve investment product or service enhancement capabilities of the industry and make the investment companies as product-focused organisations.

