

Investor Personality Dimensions and Investment Decision Making: Evidence from Individual Investors

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ABSTRACT

Investment decisions are not always guided by financial knowledge and market information alone. Investors may respond differently to the same market situation because of their individual personality, experiences, confidence, and attitudes towards risk. Against this background, the present study examines how four investor personality dimensions Accumulator, Follower, Independent, and Preserver are related to investment decision making among individual investors. A quantitative approach was adopted, and primary data were collected from 200 individual investors through a structured questionnaire. The data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) in SmartPLS. The measurement model was assessed for reliability and validity, while the structural model was examined using path coefficients, R^2 , and bootstrapping with 5,000 resamples.

The findings show that the four personality dimensions collectively account for 40.4% of the variance in investment decision-making. Among the four dimensions, Follower personality had a significant positive relationship with investment decision-making ($\beta = 0.492$, $t = 8.058$, $p < 0.001$). This shows that investors who tend to follow others may be more influenced by market trends, external recommendations, and the investment choices of people around them. However, Accumulator ($\beta = 0.080$, $p = 0.341$), Independent ($\beta = 0.153$, $p = 0.059$), and Preserver ($\beta = 0.112$, $p = 0.153$) did not show statistically significant relationships with investment decision-making. The findings highlight that personality can be relevant to understanding investor behaviour, although its influence may differ across personality types. The study provides useful insights for individual investors, financial advisors, and investor education programmes by highlighting the importance of recognising personal behavioural tendencies when making investment decisions.

Keywords: Investor personality, Investment decision making, Investor behaviour, Behavioural finance, PLS-SEM, Individual investors.

INTRODUCTION

Investment decision making is one of the most important aspects of personal financial management, as it directly influences an individual's ability to achieve long-term financial goals and build wealth. Traditional financial theories, particularly the Efficient Market Hypothesis (EMH) and Modern Portfolio Theory (MPT), assume that investors behave rationally by processing all available information and selecting investment alternatives that maximise expected returns while minimising risk. However, practical experience and empirical evidence suggest that investors do not always make rational decisions. Their choices are often influenced by emotions, personal beliefs, experiences, and psychological characteristics, resulting in decisions that deviate from the assumptions of traditional finance. The growing field of behavioural finance has emerged as an alternative perspective to explain these deviations from rationality. Behavioural finance combines principles from finance, psychology, and economics to understand how cognitive and emotional factors influence investment behaviour. It recognises that investors frequently rely on intuition, social influence, personal preferences, and behavioural tendencies when making financial decisions. Consequently, understanding the behavioural characteristics of investors has become increasingly important for researchers, financial advisors, and policymakers seeking to improve the quality of investment decisions.

The present study adopts the investor personality framework comprising four personality dimensions: Accumulator, Follower, Independent, and Preserver. Accumulator investors are generally growth oriented and seek opportunities to increase their wealth through long term investments. Follower investors are more likely to depend on external information, market sentiment, and the opinions of other investors while making investment decisions. Independent investors prefer to rely on their own judgement, research, and financial analysis rather than external advice. In contrast, Preserver investors are typically risk averse and prioritise capital protection and financial security over potentially higher returns. These personality characteristics are expected to influence how investors evaluate investment opportunities and make financial decisions. Despite the increasing interest in behavioural finance, much of the existing literature has focused on behavioural biases such as overconfidence, herding, loss aversion, and heuristic driven decision making.

These four investor personality types provide a behavioural perspective for understanding differences in investment decision-making. While Preservers emphasise security, Accumulators focus on wealth accumulation, Followers are more responsive to external influences, and Independents prefer self-directed analysis. The differences among these personality orientations provide a basis for examining whether investor personality dimensions significantly influence investment decision making. However, empirical evidence regarding the direct relationship between these four investor personality dimensions and investment decision making, particularly among individual investors in the Indian stock-market context, remains comparatively limited. Therefore, the present study examines the influence of Preserver, Accumulator, Follower, and Independent personality dimensions on investment decision making among individual investors.

Behavioural Investor Type(bit) Framework: Michael Pompain created this financial personality test also referred to as the Behavioural Investor Type test. This test was created by him to introduce the theory behind financial personality types and to fill in the gaps between mainstream personality theories. Models for different investor types are called Behavioural Investor Types (BITs). Understanding your type of investment can help you identify the kinds of emotional and cognitive biases that could affect your investing decisions. By being aware of these possible hazards you can create plans to avoid them and make fact-based investment choices.(Chopde S. L., 2017)

Behavioural Investor Types (BIT) & Investor's psychological Bias

General type	Passive		Active	
Risk Margin of investor	Conservative (Low)	Moderate (Low to medium)	Aggressive	Growth
BIT	Preserver (safe)	Follower (Moderate)	Accumulator (Confident)	Independent (Risk)
Biases	Status Quo	Outcome	Affinity	Conservatism
	Endowment	Cognitive	Overconfidence	Availability
	Loss aversion	Dissonance	Self - Control	Confirmation
	Mental accounting	Hindsight	Illusion of Control	Representativeness
	Anchoring	Framing Recency		Self – Attribution

Source: (Tupe, 2021)

The investor personality framework provides a useful way of understanding how individuals differ in their approaches to investment decisions. The CFA Institute identifies four broad investor personality types **Preservers, Accumulators, Followers, and Independents** each characterised by different attitudes toward wealth, risk, information, and the investment decision-making process. These categories help explain why investors may respond differently to similar market conditions and investment opportunities.

Preservers place greater emphasis on financial security and preservation of existing wealth than on pursuing higher returns through greater risk exposure. They tend to be concerned about potential losses and may pay considerable attention to short-term investment performance. Their preference for security may sometimes make them hesitant to take investment decisions, particularly when market conditions are uncertain.

Accumulators are generally focused on building and increasing wealth and tend to display confidence in their ability to make investment decisions. They are more willing to take risks and may prefer to remain actively involved in selecting and managing investments. However, their confidence can also make them vulnerable to overestimating their ability to predict market movements and investment outcomes.

Followers tend to rely more heavily on the opinions, actions, and recommendations of others when making investment decisions. They may be influenced by friends, colleagues, market trends, investment experts, or prevailing investment fashions. Such Personality may be associated with social influence and follower tendencies, particularly when investors have limited confidence, knowledge, or interest in conducting independent investment analysis.

Independents, in contrast, prefer to develop their own investment views and remain actively involved in the investment process. They tend to rely on personal research, analysis, and judgement rather than following the decisions of others. Although this approach may encourage greater involvement and independent thinking, excessive reliance on one's own judgement may also expose investors to overconfidence and the possibility of overlooking external information or alternative perspectives. (Sherman, 2016)

Comparatively fewer studies have examined the direct influence of investor personality dimensions (Preserver, Follower, Accumulator and Independent) on investment decision making, particularly in the Indian context. Furthermore, Investor Personality may vary across regions because of differences in financial literacy, investment culture, income levels, and access to financial information. Therefore, there is a need to examine whether different investor personality dimensions significantly influence investment decisions among individual investors in Stock market.

LITERATURE REVIEW

Making a profitable and significant investment decision always requires rationality, but behavioral finance consistently undermines this. One quality that distinguishes each individual investor is their personality. Investors' personalities consistently impede their ability to reason and make sound investment decisions. (Sharma & Shrotriya, 2022)

Psychopathy, narcissism, and risk were found to be significantly correlated. There was no discernible connection between risk and Machiavellianism, but people with these characteristics are more likely to take risks. Risk was also not found to be significantly impacted by the dark triad. Dispositional greed affects investment expectations by causing people to believe that their investments are failing. The results of this study can be used in the real world when creating a portfolio for people who display dark triads. With individual investor alignment, financial managers can build a portfolio based on the dark triad. (Rao & Lakkol, 2023)

The current study's findings showed that neuroticism, extraversion, and investment decision making were unaffected by financial literacy. It shows that you don't understand finance. In the rural and semi-urban areas of Uttar Pradesh's Lucknow region, finance theories are useless. The person makes poor investment decisions because they lack financial literacy. (Chaturvedi & Shukla, 2024)

People's attitudes and behaviors regarding financial matters have a significant impact on their financial well being. Individual investors should have access to all the information they might need to make the best financial decisions, and financial institutions should counsel investors on appropriate financial behavior. Financial institutions regularly help individuals construct their investment portfolios. According to the study's findings, investors' financial behaviors and personalities are directly related. Financial behavior has been linked to a number of personality traits, including conscientiousness, neuroticism, agreeableness, extroversion, and openness to new experiences. (K & Kalidas, 2026)

Understanding the psychological factors that shape investment decisions is important for explaining why investors continue to retain their stock investments. This study examines whether the Big Five personality traits play a mediating role in stock investment retention, drawing on a modified version of the Theory of Planned Behavior. The study considers investors' perceptions of risk and their attitudes toward stock investment and uses data collected through an online survey conducted with the Association of Thai Securities Companies (ASCO).

The relationships among the variables were examined using Structural Equation Modeling (SEM). The findings indicate that extraversion, openness, and conscientiousness significantly influence investors' attitudes toward stock investment, which subsequently affect their decision to retain their investments. However, the Big Five personality traits were not found to have a direct influence on investors' perceptions of risk. Overall, the study provides empirical evidence that personality and risk perception may operate independently among Thai stock investors, while personality can still play an important role in investment behaviour by shaping investors' attitudes toward stock investment.(Prasertsoontorn, Lonkani, Cutshall, Changchit, & Treerotchananon, 2024)

Many investors are not aware of the mistakes they are making. When investors understand their personal psychological biases, they can make more informed financial choices. This awareness leads to better decision-making and reduces the likelihood of errors in judgment. By gaining a clearer understanding of themselves, investors are more likely to achieve their long-term financial goals and enhance their overall investment results.. (Jency, 2017)

This research is the first to look at how investors behave in Central Asian countries that were once part of the Soviet Union. Authorities, lawmakers, and financial leaders might find the findings of this study to have only minor implications. The research shows that investors sometimes act in a way that is opportunistic or not fully rational when deciding where to invest. Because of this, governments should take strong steps to stop such behavior in order to prevent stock markets from becoming overly inflated. In these countries that are still transitioning, investors might develop negative views of the stock market because of its inefficiency, especially since they do not fully understand how it works. (Pak & Mahmood, 2015)

Investors often purchase stocks at high prices because they see many other people doing so, believing that the majority must be correct. This pattern of following the crowd instead of making decisions based on solid facts is called herding behavior. A well-known example of this occurred during the Dot-com Bubble, when investors pushed technology stock prices much higher than their real worth, leading to a market crash later on. (Krutika, 2015)

Objectives

- To identify the influence of investor personality dimensions on investment decision making among individual investors.
- To examine the relationship between Accumulator personality and investment decision making.
- To analyse the effect of Follower personality on investment decision making.
- To evaluate the impact of Independent personality on investment decision making.
- To investigate the relationship between Preserver personality and investment decision making.
- To develop and validate a structural model explaining the influence of investor personality dimensions on investment decision making using PLS-SEM.

Hypothesis

H1: Accumulator personality has a significant positive influence on investment decision making.

H2: Follower personality has a significant positive influence on investment decision making.

H3: Independent personality has a significant positive influence on investment decision making.

H4: Preserver personality has a significant positive influence on investment decision making.

RESEARCH METHODOLOGY

This study adopted a quantitative research approach to examine Impact of Investor Personality Traits on Investment Decision Making: A PLS-SEM Approach A descriptive and explanatory research design was employed to investigate the relationships among the proposed constructs. This study evaluates Individual Investors making investment in Stock Market.

Primary data were collected using a structured questionnaire administered to individual investors. The questionnaire consisted of two sections: the first captured respondents' demographic characteristics, while the second measured the study constructs using multiple items on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Questions based on Personality was divided in 4 dimensions namely Preserver, Follower, Accumulator & Independent with 5 questions on each and under decision making 6 questions were considered.

The target population comprised individual stock market investors; however, the exact population size was not known or readily available. The sample size was determined with consideration of the requirements of Partial Least Squares Structural Equation Modelling (PLS-SEM), which was employed for testing the proposed conceptual model.

PLS-SEM is particularly appropriate for studies involving complex models, latent constructs, and prediction oriented analysis, and does not require the population size to be known in advance. The adequacy of the sample was therefore assessed with reference to the complexity of the proposed structural model and the statistical requirements of PLS-SEM.

Therefore, a non-probability sampling approach was adopted for the study. Respondents were selected based on their accessibility and their eligibility as individual investors in the stock market. A total of 244 questionnaires were distributed, of which 200 completed and usable responses were obtained and included in the final analysis, representing a usable response rate of 81.97%. The collected data were analysed using IBM SPSS Statistics and SmartPLS 4.

Internal consistency was assessed using Cronbach's alpha, while the measurement model in SmartPLS was evaluated through indicator loadings, Composite Reliability (CR), and Average Variance Extracted (AVE) to establish reliability and convergent validity. The structural model was assessed using Partial Least Squares Structural Equation Modeling (PLS-SEM).

The strength and significance of the hypothesized relationships were evaluated using path coefficients (β), coefficient of determination (R^2), and bootstrapping with 5,000 resamples. Statistical significance was determined based on t-values and p-values, with hypotheses considered supported when $p < 0.05$.

The questionnaire was checked for clarity and relevance before the final data collection. A formal pilot study was not conducted in this study. Therefore, pilot-test results have not been reported. Instead, the reliability and validity of the measurement scales were assessed using the final sample through the PLS-SEM measurement model.

During the assessment of the measurement model using SmartPLS 4, the outer loadings of the individual indicators were examined. Indicator P4 of the Preserver construct and ID1 of the Investment Decision Making

construct showed relatively low outer loading values and were consequently removed from the model. After their removal, the measurement quality of the respective constructs improved. The remaining indicators were retained and further assessed for reliability, convergent validity, and discriminant validity.

Demographic Analysis

Demographic Profile

Table 1. Demographic Profile of Respondents

Variable	Category	n	%
Gender	Male	120	60.0
	Female	80	40.0
Qualification	HSC or below	21	10.5
	Graduate	95	47.5
	Postgraduate	80	40.0
	CA/CS/CMA	4	2.0
Marital status	Single	74	37.0
	Married	125	62.5
	Other	1	0.5
Occupation	Salaried	88	44.0
	Self-employed	37	18.5
	Homemaker	28	14.0
	Business	43	21.5
	Retired	4	2.0

Source: Author's own contribution based on Primary Survey Data

Table 1 presents the demographic profile of the 200 respondents. Males constituted 60% of the sample, while females represented 40%. In terms of educational qualification, graduates formed the largest group (47.5%), followed by postgraduates (40.0%). Married respondents accounted for 62.5% of the sample. Regarding occupation, salaried respondents constituted the largest group (44.0%), followed by business respondents (21.5%) and self-employed respondents (18.5%).

Investment experience in Stock Market

Table 2: Descriptive Analysis of Investment experience in Stock Market.

Investment in stock market					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 Year	83	41.5	41.5	41.5
	1-3 Years	54	27	27	68.5
	3-5 Years	42	21	21	89.5

	more than 5 Years	21	10.5	10.5	100
	Total	200	100	100	

Source: Author's Own Contribution based on Primary Survey data.

In terms of investment experience, 83 respondents (41.5%) had less than one year of investment experience, 54 respondents (27%) had one to three years of experience, 42 respondents (21%) had three to five years of experience, and 21 respondents (10.5%) had more than five years of experience.

Primary Objective of Investment

Table 3: Descriptive Analysis of Primary Objective of Investment.

Primary objective for investment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	wealth creation	47	23.5	23.5	23.5
	Regular Income	45	22.5	22.5	46
	Saving for Future	104	52	52	98
	Tax Saving	4	2	2	100
	Total	200	100	100	

Source: Author's Own Contribution based on Primary Survey data.

The analysis indicates that 104 respondents (52%) invested primarily for future savings, making it the most common investment objective. Forty-seven respondents (23.5%) invested for wealth creation, 45 respondents (22.5%) aimed to generate regular income, while only 4 respondents (2%) invested mainly for tax saving purposes.

Investment Time Horizon

Table 4: Descriptive Analysis of Time Horizon of Investment

Time horizon of investment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Short term (less than 1 year)	54	27	27	27
	Medium term (1 to 5 Years)	90	45	45	72

	Long term (more than 5 years)	56	28	28	100
	Total	200	100	100	

Source: Author's Own Contribution based on Primary Survey data.

Regarding investment time horizon, 90 respondents (45%) preferred a medium-term investment horizon of one to five years, 56 respondents (28%) preferred long-term investments of more than five years, **and** 54 respondents (27%) preferred short-term investments of less than one year.

Data Analysis

Partial Least Squares Structural Equation Modelling (PLS-SEM)

The collected data were analysed using **Partial Least Squares Structural Equation Modelling (PLS-SEM)** through SmartPLS software. PLS-SEM was selected because the study aims to examine the predictive relationship between investor personality traits and investment decision making. The analysis was conducted in two stages:

- Assessment of the Measurement Model
- Assessment of the Structural Model

The measurement model was evaluated through indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. The structural model was assessed through coefficient of determination (R^2) and hypothesis testing using bootstrapping.

Assessment of Measurement Model

The measurement model was assessed for five constructs:

- Accumulator (A)
- Follower (F)
- Independent (I)
- Preserver (P)
- Investment Decision Making (ID)

Indicator Reliability

Indicator reliability was assessed using the outer loading values of the measurement indicators. Loadings of approximately 0.70 or above are generally preferred; however, indicators with loadings between 0.40 and 0.70 may be retained when their removal does not improve the overall measurement model and when the indicators have clear theoretical relevance.

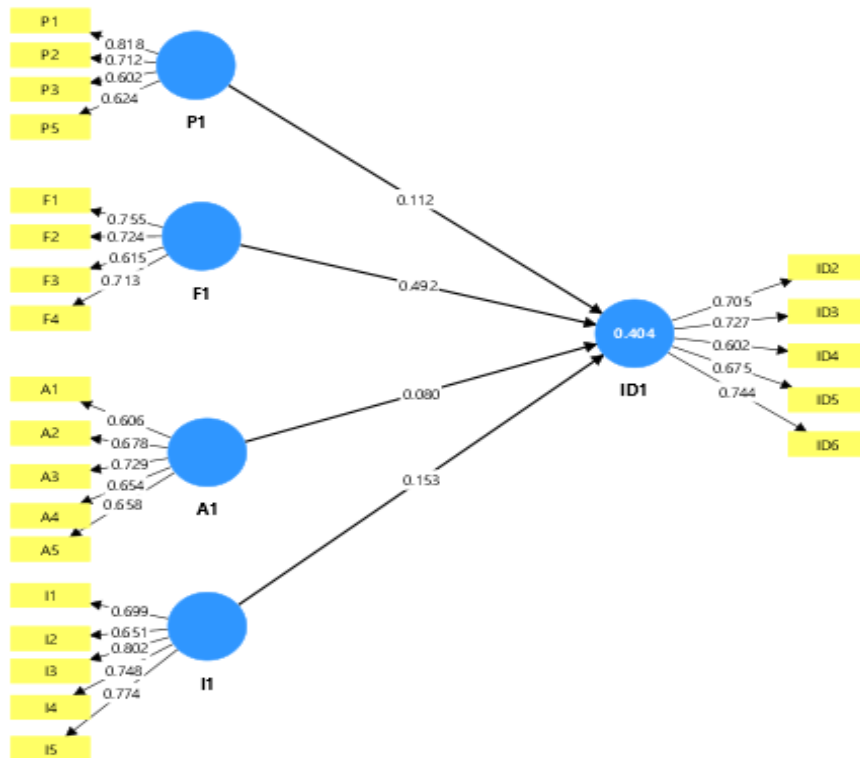
The retained indicators in the present model recorded outer loadings between 0.602 and 0.818. The Accumulator indicators ranged from 0.606 to 0.729, while the Follower indicators ranged from 0.615 to 0.755. The Independent indicators ranged from 0.651 to 0.802. The retained Investment Decision Making indicators ranged from 0.602 to 0.744, and the Preserver indicators ranged from 0.602 to 0.818.

Although several indicators have loadings below 0.70, they were not removed solely on the basis of the loading value because the decision to retain an indicator also considered its theoretical relevance and contribution to the content coverage of the construct. In contrast, P4 from the Preserver construct, F5 from Follower and ID1 from Investment Decision Making were removed during the measurement-model assessment because of their

relatively low outer loadings. The final model was therefore based on the retained indicators reported in the measurement model.

The measurement results should consequently be interpreted with caution rather than as evidence of uniformly strong indicator reliability.

Figure 1: Structural Model of SEM-PLS



Source: Author's own contribution based on Primary Survey Data

Internal Consistency Reliability

Table 5: Construct Reliability and Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
A1	0.687	0.693	0.799	0.444
F1	0.660	0.670	0.796	0.495
I1	0.788	0.786	0.855	0.543
ID 1	0.729	0.740	0.821	0.479
P1	0.639	0.659	0.786	0.482

Source: Author's own contribution based on Primary Survey Data

The reliability and convergent validity of the measurement model were assessed using Cronbach's alpha, rho_A, composite reliability (rho_C), and average variance extracted (AVE). The results indicate that the constructs generally demonstrate acceptable levels of internal consistency, with composite reliability values

ranging from 0.786 to 0.855. The rho_A values range from 0.659 to 0.786, while Cronbach's alpha values range from 0.639 to 0.788.

However, the AVE values for Accumulator (0.444), Follower (0.495), Investment Decision Making (0.479), and Preserver (0.482) are below the commonly recommended threshold of 0.50. Therefore, convergent validity for these four constructs should be interpreted with caution. The Independent construct achieved an AVE of 0.543.

The affected constructs were retained because the decision to retain the measurement items was based not only on statistical criteria but also on the theoretical relevance and content coverage of the indicators. Removing theoretically meaningful indicators solely to achieve the AVE threshold could potentially narrow the conceptual coverage of the constructs. Accordingly, the limitation associated with the lower AVE values is explicitly acknowledged rather than treating convergent validity as fully satisfactory.

Table 6: HTMT Results

	Heterotrait-monotrait ratio (HTMT)
F1 <-> A1	0.428
I1 <-> A1	0.864
I1 <-> F1	0.258
ID1 <-> A1	0.454
ID1 <-> F1	0.819
ID1 <-> I1	0.381
P1 <-> A1	0.446
P1 <-> F1	0.766
P1 <-> I1	0.280
P1 <-> ID1	0.600

Source: Author's own contribution based on Primary Survey Data.

All HTMT values were below 0.90, indicating acceptable discriminant validity based on the 0.90 criterion. However, the HTMT value between Independent and Accumulator was 0.864, which exceeds the more conservative 0.85 criterion. This indicates some conceptual overlap between these two constructs and warrants cautious interpretation

Table 7: Inner VIF Results

	VIF
A1 -> ID1	1.757
F1 -> ID1	1.410
I1 -> ID1	1.680
P1 -> ID1	1.418

Source: Author's own contribution based on Primary Survey Data

Collinearity among the predictor constructs was assessed using the inner VIF values. The VIF values ranged from 1.410 to 1.757, indicating that multicollinearity was not a concern in the structural model. All values were well below commonly used threshold levels, suggesting that the predictor constructs did not exhibit problematic collinearity.

Convergent Validity

Convergent validity was assessed using Average Variance Extracted (AVE). An AVE value of 0.50 or above is generally considered evidence that a construct explains at least half of the variance in its indicators.

The Independent construct achieved an AVE of 0.543 and therefore met the conventional criterion. However, the AVE values for Accumulator (0.444), Follower (0.495), Investment Decision Making (0.479), and Preserver (0.482) were below 0.50. Therefore, convergent validity for these four constructs cannot be described as fully satisfactory and should be interpreted with caution.

At the same time, the composite reliability values ranged from 0.786 to 0.855, indicating satisfactory composite reliability. The decision to retain the constructs was based on the combined consideration of indicator loadings, composite reliability, theoretical relevance, and content coverage. Indicators were not removed solely to increase AVE because doing so could reduce the conceptual coverage of the respective constructs.

Accordingly, the results provide acceptable evidence of internal consistency based on composite reliability, but convergent validity remains a limitation for four constructs. This limitation is explicitly acknowledged in interpreting the structural model.

Discriminant Validity

Discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT). The HTMT values ranged from 0.258 to 0.864. All values were below the 0.90 criterion, indicating acceptable discriminant validity under the less conservative threshold. However, the HTMT value between Independent and Accumulator was 0.864, which exceeds the more conservative 0.85 criterion.

The result suggests that Independent and Accumulator have some degree of conceptual overlap and therefore should be interpreted cautiously. Nevertheless, the HTMT value remains below 0.90, providing acceptable evidence of discriminant validity under the 0.90 criterion. The finding also reinforces the need to interpret the relationships between these two personality dimensions carefully rather than treating them as completely distinct behavioural orientations. The HTMT results are therefore considered acceptable under the 0.90 criterion, while the Independent–Accumulator pair represents a measurement limitation under the stricter 0.85 criterion. (Hair & Alamer, 2022)

Fornell-Lacker Criterion

Table 8: Fornell–Larcker Criterion for Discriminant Validity

	A1	F1	I1	ID1	P1
A1	0.666				
F1	0.230	0.704			
I1	0.634	0.118	0.737		
ID1	0.317	0.587	0.281	0.692	
P1	0.243	0.526	0.173	0.417	0.694

Source: Author's own contribution based on Primary Survey Data

The Fornell–Larcker criterion was used to examine whether the constructs in the study were sufficiently different from one another. The diagonal values in the table represent the square root of the Average Variance Extracted (AVE), while the values below the diagonal represent the correlations between the constructs.

The results show that the square root of AVE for each construct is higher than its correlation with the other constructs. For Accumulator (A1), the square root of AVE was 0.666, which was higher than its highest correlation of 0.634 with Independent (I1). Similarly, Follower (F1) had a square root of AVE of 0.704, which was higher than its highest correlation of 0.587 with Investment Decision Making (ID1).

Independent (I1) recorded a square root of AVE of 0.737, which was higher than its highest correlation of 0.634 with Accumulator. For Investment Decision Making (ID1), the square root of AVE was 0.692, compared with a highest correlation of 0.587 with Follower. Preserver (P1) had a square root of AVE of 0.694, which was higher than its highest correlation of 0.526 with Follower.

Finally, the results indicate that each construct shares more variance with its own indicators than with the other constructs in the model. Therefore, the Fornell–Larcker criterion is satisfied, providing evidence of **adequate discriminant validity** among the constructs.

Effect Size (f^2)

The f^2 values were examined to understand how much each predictor contributes to explaining Investment Decision Making (ID1) in the model. The results show that the contribution of the four predictors is different.

Follower (F1) has the highest effect size, with an f^2 value of 0.288. This indicates a medium effect, suggesting that Follower characteristics make a meaningful contribution to explaining investors' decision-making behaviour.

Independent (I1) has an f^2 value of 0.023, which indicates a small effect. Although the effect is small and its path was not statistically significant at the 5% level, the construct still makes a limited contribution to the explained variance in Investment Decision Making.

In comparison, Accumulator (A1) has an f^2 value of 0.006, while Preserver (P1) has an f^2 value of 0.015. Both values indicate a negligible effect, suggesting that these constructs contribute very little to explaining Investment Decision Making in the present model.

Overall, the results suggest that Follower is the most influential predictor of Investment Decision Making, as reflected by its relatively larger effect size. The other three constructs have only small or negligible contributions to the model.

Bootstrapping Model

After confirming the reliability and validity of the measurement model, the structural relationships proposed in the research framework were examined using the bootstrapping procedure in SmartPLS. Bootstrapping was performed to determine whether the relationships between investor personality traits and investment decision-making were statistically significant. The results were interpreted using path coefficients (β), t-values, and p-values.

Table 9: Bootstrapping Results

Hypothesis	Structural Path	β	t-value	p-value	Decision
H1	Accumulator → Investment Decision Making	0.080	0.952	0.341	Not Supported
H2	Follower → Investment Decision Making	0.492	8.058	0.000	Supported

H3	Independent → Investment Decision Making	0.153	1.888	0.059	Not Supported
H4	Preserver → Investment Decision Making	0.112	1.429	0.153	Not Supported

Source: Author's own contribution based on Primary Survey Data

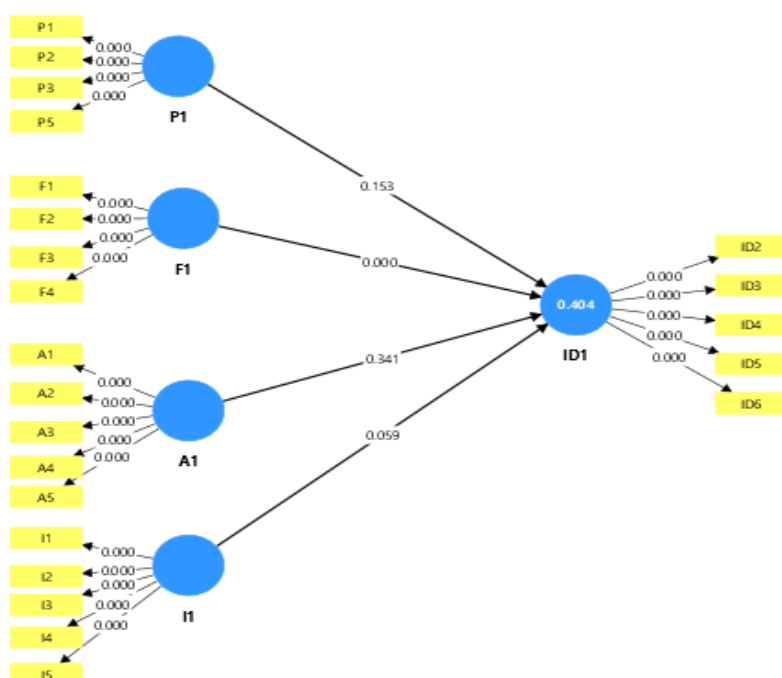
The analysis revealed that the influence of **Follower personality** on **Investment Decision Making** was **positive and statistically significant** ($\beta = 0.492$, $t = 8.058$, $p < 0.001$). This finding indicates that investors who exhibit follower characteristics are more likely to base their investment decisions on market trends, expert recommendations, and the actions of other investors. The result suggests that social influence plays an important role in shaping investment behaviour. Therefore, the hypothesis stating that Follower personality positively influences investment decision-making is accepted.

In contrast, the relationship between **Accumulator personality** and **Investment Decision Making** was **positive but not statistically significant** ($\beta = 0.080$, $t = 0.952$, $p = 0.341$). Although accumulator oriented investors generally focus on building wealth and long-term financial growth, the findings indicate that these characteristics did not significantly influence their investment decisions in the present study. Hence, the corresponding hypothesis is not supported.

The effect of **Independent personality** on **Investment Decision Making** was **also found to be positive but statistically insignificant** ($\beta = 0.153$, $t = 1.888$, $p = 0.059$). While investors with independent personalities are expected to rely on their own judgement and analysis, the results suggest that this behavioural tendency did not have a significant impact on their investment decisions. Although the relationship approached the conventional level of significance, it did not meet the required threshold of $p < 0.05$. Therefore, H3 was not supported at the 5% significance level.

Similarly, **Preserver personality** showed a **positive but insignificant relationship with Investment Decision Making** ($\beta = 0.112$, $t = 1.429$, $p = 0.153$). This indicates that investors who prefer financial security and lower-risk investments were not significantly different in their investment decision-making behaviour compared with other investors in the sample. Consequently, the proposed hypothesis regarding Preserver personality is not supported.

Figure 2: Bootstrapping Model



Source: Author's own contribution based on Primary Survey Data.

Coefficient of Determination (R^2)

The explanatory power of the model was assessed using the coefficient of determination (R^2).

Table 8: R^2 Value

Endogenous Construct	R^2
Investment Decision Making	0.404

Source: Author's own contribution based on Primary Survey Data.

The R^2 value of 0.404 indicates that investor personality dimensions explain 40.4% of the variance in investment decision making. This represents a moderate level of explanatory power. (Hair & Alamer, 2022)

The PLS-SEM results reveal that among the four investor personality dimensions, Follower personality emerged as the only significant determinant of investment decision making. The findings indicate that investors in the studied sample are more influenced by social cues, market opinions, and other investors' behaviour compared to individual analytical ability, wealth accumulation motives, or risk preservation tendencies. The model explains 40.4% variance in investment decision making, demonstrating the relevance of investor personality traits in understanding financial decision behaviour.

DISCUSSION

The present study examined the relationship between four investor personality dimensions as Preserver, Follower, Accumulator, Independent and investment decision making. The findings indicate that these personality dimensions do not have a uniform relationship with investment decision making. Among the four dimensions, only Follower personality showed a statistically significant positive relationship with investment decision making, while the other three dimensions were not significant at the 5% level. This finding provides an important insight into the behavioural characteristics of individual investors.

Accumulator and Investment Decision Making.

The relationship between Accumulator personality and investment decision making was positive but not statistically significant ($\beta = 0.080$, $p = 0.341$). Therefore, H1 was not supported. Although Accumulator type investors generally focus on wealth creation, growth opportunities, and higher returns, these characteristics may not necessarily translate into differences in their overall investment decision-making process. This finding suggests that wealth accumulation orientation alone may be insufficient to explain investment decisions. Other factors such as financial knowledge, investment experience, risk tolerance, and financial goals may also play a role. Thus, the present finding does not necessarily contradict earlier research linking personality with investment behaviour; rather, it indicates that the relationship may differ across specific investor personality dimensions.

Follower and Investment Decision Making.

Follower personality showed a strong and statistically significant positive relationship with investment decision making ($\beta = 0.492$, $t = 8.058$, $p < 0.001$), and H2 was supported. Among all four personality dimensions, Follower was the strongest predictor in the model ($f^2 = 0.288$). This finding may be explained by the increasing availability of financial information through experts, market recommendations, social networks, financial news, and online platforms. Investors who tend to seek guidance from others may incorporate such external information more actively into their investment decisions. The finding is broadly consistent with previous research showing that personality characteristics are related to risk tolerance and investment decisions (Pak & Mahmood, 2015). It also supports the broader behavioural finance view that investment decisions are not based entirely on objective financial information but may also reflect psychological and

social influences. However, the result should not be interpreted as meaning that following others necessarily leads to poor investment decisions. Seeking expert advice can also be a rational information-gathering strategy.

Independent and Investment Decision Making.

Independent personality had a positive relationship with investment decision making ($\beta = 0.153$), but the relationship was not statistically significant at the 5% level ($p = 0.059$). Therefore, H3 was not supported. The result is nevertheless close to the conventional significance threshold and may indicate a possible relationship that requires further investigation. Investors who prefer to conduct their own research and rely on personal judgement may still consider information from other sources when making investment decisions. Therefore, independence in investment behaviour may not necessarily mean complete avoidance of external information.

Preserver and Investment Decision Making.

Preserver personality showed a positive but statistically non-significant relationship with investment decision making ($\beta = 0.112$, $p = 0.153$). Hence, H4 was not supported. Preserver-type investors generally place greater importance on safety, stability, and protection against losses. These characteristics may be more closely related to the selection of conservative investment avenues than to the overall process of investment decision making. The finding therefore suggests that risk-preservation tendencies may influence what investors choose rather than necessarily explaining how they make investment decisions.

The findings contribute to behavioural finance by applying the Accumulator, Follower, Independent, and Preserver investor personality framework to individual investors in the Indian context. Rather than assuming that every personality type has a similar relationship with investment decisions, the study shows that specific personality orientations may differ in their statistical relevance.

CONCLUSION

Investor personality has long been recognised as an important factor influencing financial behaviour. This study examined the effect of four investor personality traits Accumulator, Follower, Independent, and Preserver on investment decision making among individual investors using the PLS-SEM approach.

The findings indicate that investor personality contributes to explaining investment decision making, with the proposed model accounting for 40.4% of the variance in investors' decisions. Among the four personality dimensions, only the Follower personality was found to have a statistically significant positive influence on investment decision making. This depicts that many investors tend to rely on market trends, recommendations from experts, and the behaviour of other investors while making investment choices. Such behaviour reflects the importance of social influence and information obtained from external sources in shaping investment decisions.

On the other hand, the Accumulator, Independent, and Preserver personality traits did not exhibit a statistically significant influence on investment decision making. Although these personality dimensions represent distinct behavioural characteristics, their effects were not strong enough to predict investment decisions within the present sample. This indicates that investment behaviour may be influenced by several other factors beyond personality, such as financial literacy, market conditions, investment experience, income level, risk perception, and access to reliable financial information.

Future research may extend this study by including a larger and more diverse sample from different geographical regions and by incorporating additional behavioural and demographic variables that may influence investment decisions. Comparative studies across different categories of investors and market conditions may also provide a deeper understanding of how personality shapes investment behaviour over time.

LIMITATIONS

Although the study provides useful insights into the factors influencing investment decision-making among individual investors, it has certain limitations that should be considered while interpreting the findings.

Geographical Area: The study was conducted among individual investors in Jalgaon City. Investment behaviour can differ across regions because of differences in economic conditions, financial awareness, social environment, and investment opportunities. Therefore, the findings of the present study may not necessarily represent the behaviour of investors in other cities or regions.

Sample Size: The study was based on responses from 200 individual investors. Although the sample was adequate for the analysis undertaken in the study, a larger sample covering investors from different geographical and socio-economic backgrounds could provide a broader understanding of investment behaviour.

Responses: Another limitation is that the study relied on self-reported responses obtained through a structured questionnaire. Investors were asked to express their perceptions, attitudes, and investment behaviour based on their own experiences. There is a possibility that some respondents may have provided responses that they considered appropriate or may not have completely reflected their actual investment behaviour.

Practicability: The study examines investors' reported perceptions and decision making rather than observing their actual investment or trading activities. There may therefore be some difference between what investors say they do and how they behave when faced with real investment situations. Future research could address this limitation by combining survey responses with actual investment records or by conducting longitudinal studies to observe changes in investment behaviour over time.

Contribution

Practical Contribution

The study evaluates the reliability and validity of the proposed measurement model and examines the structural relationships between investor personality dimensions and investment decision making. The findings are expected to contribute to the behavioural finance literature by providing empirical evidence on the role of investor personality in financial decision making. In addition, the study offers practical implications for investors, financial advisors, financial institutions, and policymakers by improving the understanding of behavioural factors that influence investment choices and supporting the development of more effective investor education and advisory strategies.

Social Contribution

- To create awareness among individual investors about behavioural biases.
- The findings can also be useful in financial literacy and investor awareness programmes.
- The study may be particularly useful for new and less experienced investors.
- The study also has relevance for families and household for financial planning.
- The findings may also be useful to financial advisors, educators, and organisations involved in investor awareness.
- The study contributes to society by encouraging greater financial awareness and more thoughtful investment behaviour.

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APPENDIX

Questionnaire

I am Jayashree Dhananjay Chaudhari, Research scholar at Kavayitri Bahinabai Chaudhari North Maharashtra University, Jalgaon. As a part of the research, I am conducting a survey to understand the impact of investors' Personality dimensions on their decision making. I kindly request you to answer all statements. All the information will be confidential and will be used for academic purpose only. Your opinion would be very valuable for the research. Thank you for your participation in this survey.

Part I- Basic Information

1. Name of the Respondent:

2. Age: _____ yrs

3. Gender: ☐ Male ☐ Female (Please tick ✓)

4. Qualification: ☐ HSC or below ☐ Graduate ☐ Post Graduate ☐ CA/CS/CMA

5. Marital Status: ☐ Single ☐ Married

6. Occupation: ☐ Salaried ☐ Self-Employed ☐ Homemaker ☐ Business ☐ Retired

7. In which avenues do you invest? (Select all that apply):

☐ Shares ☐ Mutual Funds ☐ Bonds/ Debentures ☐ Bank Deposits ☐ PPF

☐ Post Office ☐ Insurance ☐ Gold ☐ Silver ☐ Real Estate ☐ Cryptocurrencies

Any other (Please Specify) _____

8. How long have you been investing in Stock markets?

☐ Less than 1 Year ☐ 1-3 Years ☐ 3-5 Years ☐ More than 5 Years

9. What is Primary objective for Investment?

☐ Wealth Creation ☐ Regular Income ☐ Saving for the future ☐ Tax Saving

10. What is the usual time horizon for your investment?

a. Short-Term (Less than 1 year) ☐ Medium-Term (1 to 5 years) ☐ Long-term (More than 5 years)

Part II- Investor's Opinion

Please indicate the degree of your agreement with the following statements related to financial decision making (Please tick ✓)

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
10.1. I prefer investments with lower risk, even if they offer lower returns.					
10.2. I feel uncomfortable investing in stocks that are highly volatile.					
10.3. Avoiding losses is more important to me than achieving high gains					
10.4. I feel confident sticking to my investment plan, even during market downturns.					
10.5. I prefer dividend-paying stocks for the steady income they provide.					
10.6. I tend to follow the investment decisions of others rather than making my own.					
10.7. I take advice from financial experts instead of making my own decisions.					
10.8. I rely on market trends & recommendations while selecting investments.					

10.9. I avoid taking risk in stock market & prefer well-established investments					
10.10. I feel confident when my investment decisions align with market trends or experts					
10.11. I am comfortable with taking higher risk for the potential of higher returns.					
10.12. I focus on accumulating wealth through regular investment & reinvesting profits					
10.13. I often invest in stocks based on their future potential rather than current stability.					
10.14. I proactively adjust my investment portfolio to capitalize on new opportunities.					
10.15. I diversify my investment across various sectors to maximize growth potential					
10.16. I prefer making investment decisions on my own without seeking advice from others.					
10.17. I regularly conduct research before investing in stocks.					
10.18. I trust my own analysis rather than relying on advice from others for selecting stock					
10.19. I make investments by formulating and following my own strategies					
10.20. I am confident in my ability to analyse the market effectively					

Please indicate the degree of your agreement with the following statements related to financial decision making (Please tick ✓)

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
12.1.I make investment decisions after thoroughly analysing the risk factors of a particular stock.					
12.2. I rely on financial news and market analysis before making investment decisions					
12.3. My mood or emotional state has a significant influence on my investment decisions					
12.4. My investment decisions are closely aligned with my long-term financial goals					

12.5. I tend to make investment decisions based on gut feelings rather than data.					
12.6. I often discuss my investment decisions with others before committing to them.					

Constructs

Preserver

PI: I prefer investments with lower risk, even if they offer lower returns.

P2: I feel uncomfortable investing in stocks that are highly volatile.

P3: Avoiding losses is more important to me than achieving high gains

P4: I feel confident sticking to my investment plan, even during market downturns.

P5: I prefer dividend-paying stocks for the steady income they provide.

Follower

F1: I tend to follow the investment decisions of others rather than making my own.

F2: I take advice from financial experts instead of making my own decisions.

F3: I rely on market trends & recommendations while selecting investments.

F4: I avoid taking risk in stock market & prefer well-established investments

F5: I feel confident when my investment decisions align with market trends or experts

Accumulator

A1: I am comfortable with taking higher risk for the potential of higher returns.

A2: I focus on accumulating wealth through regular investment & reinvesting profits

A3: I often invest in stocks based on their future potential rather than current stability.

A4: I proactively adjust my investment portfolio to capitalize on new opportunities.

A5: I diversify my investment across various sectors to maximize growth potential

Independent

I1: I prefer making investment decisions on my own without seeking advice from others.

I2: I regularly conduct research before investing in stocks.

I3: I trust my own analysis rather than relying on advice from others for selecting stock

I4: I make investments by formulating and following my own strategies

I5: I am confident in my ability to analyse the market effectively

Decision Making

ID1: I make investment decisions after thoroughly analysing the risk factors of a particular stock.

ID2: I rely on financial news and market analysis before making investment decisions

ID3: My mood or emotional state has a significant influence on my investment decisions

ID4: My investment decisions are closely aligned with my long-term financial goals

ID5: I tend to make investment decisions based on gut feelings rather than data.

ID6: I often discuss my investment decisions with others before committing to them.