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The Effect of Personality Traits of Financial Managers on Financial Resources Economic Institutions ond Financial Structure

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Abstract: Personality is a vast field because personality itself is a subject. It is complex and has various dimensions and aspects. Many attempts have been made to understand human personality for a long time, some of which are impractical, some of which are superstitious, and a few of which are scientifically valid. In the vernacular, personality has other meanings. For example, when it is said that a person has a personality, it means that he has traits that can influence other people or has particular sobriety and dignity. Likewise, impersonality means having negative traits. Also, the word personality is used in custom as a famous and competent figure in political, scientific, artistic, and so on. "Personality" is an "abstract concept," meaning that it is something like energy in physics that cannot be observed but is inferred through a combination of behavior, thoughts, motivation, excitement, and so on. Personality makes all people (humans) different from each other. But these differences are only in some "features and traits." In other words, people have a lot in common in many personality traits, so personality can be defined as "how are people different?" And "How are they similar?". "Personality," on the other hand, is a complex subject, but since ancient times many attempts have been made to recognize it, some of which are "impractical," some of which are "superstitious," and some of which are "scientific and valid." This diversity of views is related to differences in the "definition and attitude of man and his nature." Each society, to be able to live in a certain culture, interact and be successful, cultivates certain personality types that are in harmony with the culture. While some experiences are common to all cultures, it is unlikely that the specific experiences of one culture will not be available to another.

Keywords: Personality, Financial Resources, Economic Institutions.

Introduction

Since 1958, neoclassical research into the structure of capital has begun with the joint work of Modigliani and Miller, and financial economists have made great efforts to study the determinants of corporate financial leverage, most of which have been empirical studies of the market, industry, and firm traits.

According to the static equilibrium theory, companies want to balance the benefits and costs of debt issuance, which leads to the creation of an optimal capital structure for the company and optimizes the company's value. In this theory, the goal is to reach the optimal debt ratio, and it is done so that the actual debt ratio tends towards the optimal debt ratio.

According to hierarchical theory, there is no optimal debt ratio, and companies finance regardless of the optimal capital structure and use external funds only if internal funds are not enough.

For more than half a century, the two paradigms of rational behavior of economic agents and the hypothesis of labor markets have been the basis of modern financial theory and have prevailed in most financial research. However, the emergence of some market exceptions, which cannot be explained by the standard models of the efficient market hypothesis, gave rise to behavioral finance theories. Behavioral finance includes a wide range of psychology and social sciences aspects that contrast to the labor market hypothesis.

As a result, companies similar to the so-called predictors of capital structure often choose very different financial levers. This has led researchers in their recent studies to consider the significant effects of the personality of high-ranking people in the company, such as CEOs, CEOs, on capital structure decisions. Of course, the critical role of financial elements in predicting capital structure should not be overlooked.

This subtlety in the research perspective has led scientists and financial stakeholders to try to base the financial behavior of companies on assumptions such as the irrational behavior of investors, the social and cultural effects of behavior on investors, and... . These factors in research led the new financial theory to recognize the acute effects of the human factor on corporate financial decision-making.

Therefore, the problem that arises in the present study is the effect of the personality traits of CEOs and financial managers on the structure of capital and the speed of movement in its direction.

Theoretical Foundations

McCrae and Costa 5 factor Model (BIG, NEO-5)

Like most concepts related to human traits, defining personality is not an easy task because the concept that psychologists have given it is very different. In terms of words and vocabulary, personality is equivalent to the English word personality or French word personalite. It is derived from the Latin root persona, which means a mask that theater actors wore in ancient Greece and Rome (Khalifa et al., 2009).

There have been various theories about individual and personality differences from time immemorial to the present day. But the field of personality has become dominant over the past two decades, with the five-factor model of Robert McCrae and Paul Costa (1987, 1997). The result of many studies using factor analysis and personality traits was the introduction of a five-factor model of personality (Khalifa et al., 2009).

The five personality traits of this model are neuroticism, extraversion, conscientiousness, Agreeableness, and openness to accepting Experience.

Extraversion: The person who scores higher in this factor is sociable, kind, bold, and more confident than others (McCrae and Costa, 2003). He often enjoys noisy and large gatherings. Extroverts have positive moods and moods while working and feel more satisfied with their job and generally feel better about their organization and environment (Khalifa et al., 2009). In the questionnaire, questions 1, 6, 11,16,21, 26, 31, 36, 41,46,51,56 are related to measuring this factor.

Conscientiousness: This dimension is a measure of reliability. A higher score in this dimension shows that the person is generally rational in sensible, efficient in decision-making, and thinks before action (McCrae and Costa, 2003). Conscientiousness is considered useful and important in many organizational situations and is a good indicator for predicting performance in many jobs (Khalifa et al., 2009). In the questionnaire, questions 3, 8, 13,18,23, 28, 33, 38, 43, 48,53,58 are related to measuring this factor.

Agreeableness: This person easily trusts others and is usually honest, sincere, trustworthy, and kind. He is proud of himself and his achievements. He has a harsher mindset than others, and his social and political attitudes reflect his pragmatic realism (McCrae and Costa, 2003). These people seek to adapt and get along with people, usually avoiding controversial or controversial topics (Khanifar et al., 2009). In the questionnaire, questions 2, 7, 12, 17, 22, 27, 32, 37, 42, 47, 52, 57 are related to measuring this factor.

Neuroticism: A person who scores higher in this dimension is generally anxious and prone to anxiety. He sometimes feels frustrated, irritable, and angry with others and is prone to sadness and heartache (McCrae and Costa, 2003). Neurotic people usually have a negative attitude towards their work environment and generally negatively affect their work.

They may have a cautionary influence in group decisions, which expresses the negative aspects of the decision made (Khalifa et al., 2009). In the questionnaire, questions 4, 9, 14,19,24, 29, 34, 39, 44, 49,54,59 are related to measuring this factor.

Openness to Experience, gaining Experience: In this dimension, the person generally shows interest in gaining Experience. These people have imagination and are intellectually curious. Enjoys new and different activities and connects better with the beauty of music, art, and poetry (McCrae and Costa, 2003). People with this feature can be useful for jobs in which there is much change or need to innovate or significant risk (Khanifar et al., 2009). In the questionnaire, questions 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 are related to measuring this factor.

Research Methods

This research is of the correlation matrix analysis or correlation coefficient in which regression analysis is used.

The statistical population of this study includes all companies listed on the Tehran Stock Exchange from the beginning of 2007 to the end of 2011. It is also a source of data and information from the database of these companies.

In this research, the field method was used to collect the questionnaire; it was done in two ways, one through a written questionnaire and the other electronically. In this regard, the questionnaire was made available to the managers to launch a personal website at NEOAC.ir and inform them. Also, in collecting the required research data by referring to the information available on the website of the Tehran Stock Exchange, DVDs published by the Tehran Stock Exchange, and the personality questionnaire, the structure of which is described below. Regression analysis is used to analyze information and test hypotheses.

Results

To test the hypotheses, multiple, simple linear regression and test correlation coefficient were used, which are as follows.

The first hypothesis

There is a relationship between extraversion and the capital structure (period 80-90) of companies listed on the Tehran Stock Exchange. There is a relationship between extraversion and the capital structure (year ending 90) of companies listed on the Tehran Stock Exchange.

The correlation coefficient

The correlation criterion is used to determine the relationship between the two variables under study.

Correlation analysis is a statistical tool used to measure the degree of the linear relationship between two variables. Correlation is typically used with regression analysis.

Table 1. Pearson correlation coefficient between variables

	Statistic	Extroversion	Return on assets	Size	Sales growth rate
Capital structure (88-90)	Pearson correlation	-0.353	0.754	0.347	0.576
	Significant level	0.001	0.000	0.001	0.000
	Number	85	85	85	85
Capital structure (fiscal year ending 90)	Pearson correlation	-0.396	0.571	0.410	0.628
	Significant level	0.000	0.000	0.000	0.000
	Number	85	85	85	85
		$p < 0.05$ $p < 0.01$			

According to the results of the above table, because the level of significance for each of the variables with capital structure (time interval 90-88) (DR) is less than the error value of 0.05 and the result is that the hypothesis is rejected and the hypothesis (The research hypothesis that there is a significant relationship between extroversion (EXT), return on assets, size and growth rate of sales with the structure of capital (period 90-88) (DR), has been confirmed and the correlation coefficients are - 0.353, 0.754, , 0.347 and 0.576 are obtained. The results also showed that a significant relationship between extraversion (EXT), asset return rate, size, and sales growth rate with capital structure (FY 90) (DR) was confirmed, and the correlation coefficients were -0.396, 0.571, 0.410 and 0.628 respectively.

To test and test the first hypothesis, the extroversion feature of managers (EXT) with capital structure (period 90-88) (DR) and capital structure (fiscal year 90) is examined. The results of the model estimates are presented in the table below. Has been:

Table 2. Results of model estimation for the first hypothesis

Explanatory variable	Dependent variable: Capital structure (period 88-90)			Dependent variable: Capital structure (fiscal year 90)		
	Coefficient	t	P–(value		t	P–(value
Constant	-0.109	-0.349	0.728	0.068	0.978	0.331
Extraversion	-0.364	3.062	0.002	-0.424	-5.099	0.001
Return on assets	0.728	5.700	0.000	0.321	4.977	0.015
Size	0.006	0.362	0.718	0.154	3.032	0.037
Sales growth rate	0.108	2.475	0.015	0.205	3.716	0.000
Statistics F	30.026			16.202		
P-value	0.000			0.000		
R2	0.600			0.448		
Modified 2R	0.580			0.420		
durbin - Watson	2.761			2.100		

According to Table 2, the extroversion characteristic coefficient of managers is negative. It is significant at the level of 5%, which indicates that by upgrading a unit of extroversion of managers, -364 units of capital structure (period 90-88) will be upgraded; the result is inversely and negatively related. Based on the results, the coefficient of determination (R2) is equal to 0.600, and this value shows that 60% of changes in the capital structure (period 90-88) by changes in extraversion traits, return on assets, company size, and sales growth rate. It will be explained. Given that the statistic value of the Watson camera is in the standard range of 1.5 to 2.5, the independence of the remainder can be concluded. According to the table above, the level of significance calculated for this statistic F is less than 0.05 and indicates the significance of regression at the level of 95%. According to the mentioned indicators, the model has the necessary adequacy.

According to Table 2, the extroversion coefficient of managers is negative and significant at the level of 5%, which indicates that by upgrading a unit of extroversion of managers, -0.364 units of capital structure (fiscal year 90) will be improved, resulting in an inverse relationship. And have a negative. Based on the results, the coefficient of determination (2R) is equal to 0.448, and this value shows that changes in extraversion traits explain 45% of changes in capital structure (fiscal year 90), return on assets, company size, and sales growth rate. Given that the statistic value of the Watson camera is in the standard range of 1.5 to 2.5, the independence of the remainder can be concluded. According to the table above, the level of significance calculated for this statistic F is less than 0.05 and indicates the significance of regression at the level of 95%. According to the mentioned indicators, the model has the necessary adequacy.

Hypothesis 2

2-1- There is a relationship between the Agreeableness feature with the capital structure (period 90-88) of companies listed on the Tehran Stock Exchange.

2-2- There is a relationship between Agreeableness traits with the capital structure (year 90) of companies listed on the Tehran Stock Exchange.

Table 3. Pearson correlation coefficient between variables

	Statistic	Agreeableness	Return on assets	Size	Sales growth rate
Capital structure (88-90)	Pearson correlation	0.703	0.754	0.347	0.576
	Significant level	0.000	0.000	0.001	0.000
	Number	85	85	85	85
Capital structure (fiscal year ending 90)	Pearson correlation	** 0.533	** 0.571	** 0.410	** 0.628
	Significant level	0.000	0.000	0.000	0.000
	Number	85	85	85	85
		p <0.05 p <0.01			

According to the results of the above table, because the level of significance for each of the variables with capital structure (time interval 90-88) (DR) is less than the error value of 0.05 and the result is that the hypothesis is rejected and the hypothesis (The research hypothesis that there is a significant relationship between Agreeableness (AGREE), return on assets, size and growth rate of sales with the capital structure (period 90-88) (DR), has been confirmed and the correlation coefficients are 0.703, 0.754, 0.347 and 0.576, respectively. Also, a significant relationship between compliance (AGREE), return on assets, size, and growth rate of sales with capital structure (fiscal year 90) (DR), was confirmed and correlation coefficients were 0.53, 0.571, 0.410, and 628, respectively. 0 To test and test the second hypothesis, the traits of Agreeableness (AGREE) with capital structure (period 90-88) and capital structure (year 90) (DR) are examined. The following table shows the results of the model estimate:

Table 4. Results of model estimation for the second hypothesis

Explanatory variable	Dependent variable: Capital structure (period 88-90)			Dependent variable: Capital structure (fiscal year 90)		
	Coefficient	t	P–(value	Coefficient	t	P–(value
Constant	-0.484	-1.835	0.070	-0.133	-1.720	0.089
Extraversion	0.847	5.487	0.000	0.504	4.739	0.000
Return on assets	0.426	3.912	0.000	0.269	1.629	0.107
Size	0.009	0.666	0.507	0.542	7.148	0.001
Sales growth rate	0.115	3.150	0.002	0.183	3.222	0.002
Statistics F		48.851			17.011	
P-value		0.000			0.000	
R2		0.710			0.460	
Modified 2R		0.695			0.433	
durbin - Watson		2.137			2.083	

According to Table 3, the coefficient of Agreeableness of managers is positive. It is significant at the level of 5%, which indicates that by upgrading a unit of Agreeableness of managers, 0.847 units of capital structure (period 90-88) will be upgraded; the results are directly and positively related. Based on the results, the coefficient of determination (R 2) is equal to 0.710, and this value shows that 71% of changes in the capital structure (period 90-88) by changes in Agreeableness traits, return on assets, company size, and growth rate Sales are explained. Given that the statistic value of the Watson camera is in the standard range of 1.5 to 2.5, the independence of the remainder can be concluded. According to the table above, the level of significance calculated for this statistic F is less than 0.05 and indicates the significance of regression at the level of 95%. According to the mentioned indicators, the model has the necessary adequacy.

According to Table 3, the coefficient of Agreeableness of managers is negative and at the level of 5% is significant, which indicates that by upgrading a unit of managers' extroversion, 0.364 - the capital structure unit (fiscal year 90) will be improved, resulting in an inverse relationship. And have a negative. Based on the results, the coefficient of determination (2R) is equal to 0.460, and this value shows that changes in Agreeableness traits explain 46% of changes in capital structure (fiscal year 90), return on assets, company size, and sales growth rate. It will be given.

Given that the statistic value of the Watson camera is in the standard range of 1.5 to 2.5, the independence of the remainder can be concluded. According to the table above, the level of significance calculated for this statistic F is less than 0.05 and indicates the significance of regression at the level of 95%. According to the mentioned indicators, the model has the necessary adequacy.

Conclusion

The results of the hypothesis test are summarized as follows:

Hypothesis 1: There is a significant relationship between the extroversion traits of managers with capital structure (period 90-88) and capital structure (year 90) (DR).

The hypotheses show a significant correlation between the extrovert traits of managers, rate of return on assets, company size, sales growth rate, and capital structure (period 90-88) and capital structure (year 90). As the analysis results showed, the observed level of significance for the above variables was less than 0.05, and the correlation coefficient was equal to 0.353, 0.571, 0.410, 0.628 for the capital structure (interval -90). 88) and the correlation coefficient was equal to -0.396, 0.754, 0.347, 0.576 for the capital structure (year 90), and the results of regression fitting show the regression is significant according to the level of significance observed for the statistics. F because (05 .0 = Sig = 0. 000 <α). Also, the observed level of significance for the T-test statistic was less than α = 0.05, and as a result, it is said that the traits of managers' extroversion, return on assets, company size, sales growth rate with regression coefficients of 0.364, 728, respectively. 0.00, 0.006, 0.108 Capital structure (88-90 time period) had a significant effect and also the traits of managers' extraversion, return on assets, company size, sales growth rate with regression coefficients of 0.424, 0.321, 0.154, 0.205. The structure of capital (year 90) has had a significant effect.

Hypothesis 2: There is a significant relationship between managers' Agreeableness traits with capital structure (period 90-88) and capital structure (year 90) (DR).

Findings of the fourth hypothesis show a significant correlation between managers' Agreeableness traits, return on assets, company size, sales growth rate and capital structure (period 90-88), and capital structure (year 90). As the analysis results showed, the observed level of significance for the above variables was less than 0.05. The correlation coefficient was equal to 0.5333, 0.571, 0.410, 0.628 for the capital structure (time interval - 90 - 88), and the correlation coefficient was equal to 0.703, 0.754, 0.347, 0.576 for the capital structure (year 90), respectively. The results of regression fitting show the regression is significant according to the level of significance observed for F Because (05 .0 = Sig = 0. 000 <α). Also, the observed level of significance for the t-test statistic was less than α = 0.05, and as a result, it is said that the Agreeableness traits of managers, rate of return on assets, company size, sales growth rate with regression coefficients of 0.847, 0.426, 0.009, 0.115 respectively. The capital structure (period 90-88) had a significant effect and the traits of managers' Agreeableness, rate of return on assets, company size, sales growth rate with regression coefficients of 0.504, 0.269, 0.542, 0.183 respectively. Capital structure (year 90) has had and still has a significant impact.

The results of this study are lower than the average in the average neuroticism of managers, and the average of the two components of conscientiousness and extraversion is above average, which is similar to the results (Khanifar et al. 88) but in the opposite Agreeableness and Experience and less than average. Is.

According to the findings, companies listed on the Tehran Stock Exchange have had an almost good situation in managers' personality traits. These companies had a mean of 3.3542 and a standard deviation of 0.28796 in managers' personality traits, and the t-test confirmed the significance of the findings. In terms of 5 personality factors, managers' personality traits, extraversion (with 3.4824 and standard deviation of 0.50430) had the most favorable situation and were ranked first. Conscientiousness (with a mean of 3.1578 and standard deviation of 0.30348) in the second place, neuroticism (with an average of 2.7755 and standard deviation of 0.47941) in the third place, Agreeableness (with an average of 2.3304 and standard deviation of 0.3668) Is in the fourth place and finally openness to experience (with an average of 1.8569 and a standard deviation of 0.29564) is in the fifth and last place.

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