


SOCIALLY RESPONSIBLE INVESTMENT (SRI) IN RELATION TO PERSONALITY TRAITS

Kuttallur Narayanan Rathi^A, Duraisamy Geetha^B



ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 20 February 2023</p> <p>Accepted 18 May 2023</p>	<p>Purpose: The aim of this study is to examine the impact of intellectual capital (human capital, structural capital, and employed capital) on the financial performance of listed insurance companies in the Amman Stock Exchange</p>
<p>Keywords:</p> <p>Socially Responsible Investment; Personality Traits; Government Employees.</p> <div data-bbox="172 891 480 1137" style="text-align: center;">  </div>	<p>Theoretical framework: Intellectual capital has become increasingly important in generating value for companies, and many researchers have linked it to corporate financial performance and strategic competitive advantage.</p> <p>Design/methodology/approach: The study population consist of 21 insurance companies listed on the Amman Stock Exchange in Jordan during the period of 2011-2020. Intellectual capital was measured using the value added intellectual coefficient model (Pulic, 2000), and its impact on financial performance was analyzed using published financial statements of the insurance companies.</p> <p>Findings: The results of the study found a statistically significant positive effect of human and employed capital on financial performance as measured by the rate of return on assets and return on equity. Furthermore, the study revealed a significant positive effect of intellectual capital, specifically human capital, on financial performance measured by market value (Tobin's Q).</p> <p>Research, Practical & Social implications: The study suggests that insurance companies should treat intellectual capital as a strategic resource and monitor and invest in it periodically for continuous development. The study suggests building a positive organizational culture that supports intellectual capital is recommended</p> <p>Originality/value: This study contributes to the understanding of the relationship between intellectual capital and financial performance for the first time in the insurance industry in Amman Stock Exchange. The findings highlight the importance of managing and investing in intellectual capital as a strategic resource to enhance financial performance.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i5.1183</p>

INVESTIMENTO SOCIALMENTE RESPONSÁVEL (SRI) EM RELAÇÃO A TRAÇOS DE PERSONALIDADE

RESUMO

Objetivo: O objetivo deste estudo é examinar o impacto do capital intelectual (capital humano, capital estrutural e capital empregado) sobre o desempenho financeiro das companhias de seguros listadas na Bolsa de Valores de Amã.

Estrutura teórica: O capital intelectual tem se tornado cada vez mais importante na geração de valor para as empresas, e muitos pesquisadores o associam ao desempenho financeiro corporativo e à vantagem competitiva estratégica.

^A PhD Scholar. Department of Commerce, Avinashilingam University (CBE). India. E-mail: rathijn@yahoo.com
Orcid: <https://orcid.org/0000-0001-7489-3663>

^B Ph.D. in Commerce. Professor. Department of Commerce, Avinashilingam University (CBE). India.
E-mail: dgeethaj@gmail.com Orcid: <https://orcid.org/0000-0003-2500-9178>

Projeto/metodologia/abordagem: A população do estudo consiste em 21 companhias de seguros listadas na Bolsa de Valores de Amã, na Jordânia, durante o período de 2011 a 2020. O capital intelectual foi medido com o uso do modelo de coeficiente intelectual de valor agregado (Pulic, 2000), e seu impacto sobre o desempenho financeiro foi analisado com o uso de demonstrações financeiras publicadas das seguradoras.

Conclusões: Os resultados do estudo revelaram um efeito positivo estatisticamente significativo do capital humano e do capital empregado sobre o desempenho financeiro, medido pela taxa de retorno sobre os ativos e pelo retorno sobre o patrimônio líquido. Além disso, o estudo revelou um efeito positivo significativo do capital intelectual, especificamente do capital humano, sobre o desempenho financeiro medido pelo valor de mercado (Q de Tobin).

Implicações sociais, práticas e de pesquisa: O estudo sugere que as seguradoras devem tratar o capital intelectual como um recurso estratégico e monitorá-lo e investir nele periodicamente para o desenvolvimento contínuo. O estudo sugere que é recomendável criar uma cultura organizacional positiva que apoie o capital intelectual

Originalidade/valor: Este estudo contribui para a compreensão da relação entre o capital intelectual e o desempenho financeiro pela primeira vez no setor de seguros da Bolsa de Valores de Amã. Os resultados destacam a importância de gerenciar e investir no capital intelectual como um recurso estratégico para melhorar o desempenho financeiro.

Palavras-chave: Investimento Socialmente Responsável, Traços de Personalidade, Funcionários Públicos.

LA INVERSIÓN SOCIALMENTE RESPONSABLE (ISR) EN RELACIÓN CON LOS RASGOS DE PERSONALIDAD

RESUMEN

Objetivo: El objetivo de este estudio es examinar el impacto del capital intelectual (capital humano, capital estructural y capital de los empleados) en los resultados financieros de las compañías de seguros que cotizan en la Bolsa de Ammán.

Marco teórico: El capital intelectual ha adquirido una importancia creciente en la generación de valor para las empresas, y muchos investigadores lo asocian a los resultados financieros de las empresas y a la ventaja competitiva estratégica.

Diseño/metodología/enfoque: La población del estudio está formada por 21 compañías de seguros que cotizan en la Bolsa de Ammán (Jordania) durante el periodo comprendido entre 2011 y 2020. El capital intelectual se midió utilizando el modelo de coeficiente intelectual de valor añadido (Pulic, 2000), y su impacto en el rendimiento financiero se analizó utilizando los estados financieros publicados de las compañías de seguros.

Conclusiones: Los resultados del estudio revelaron un efecto positivo estadísticamente significativo del capital humano y del capital empleado sobre el rendimiento financiero, medido por la tasa de rendimiento de los activos y el rendimiento de los fondos propios. Además, el estudio reveló un efecto positivo significativo del capital intelectual, concretamente del capital humano, sobre el rendimiento financiero medido por el valor de mercado (Q de Tobin).

Implicaciones sociales, prácticas y de investigación: El estudio sugiere que las aseguradoras deberían tratar el capital intelectual como un recurso estratégico y supervisarlos e invertir en él periódicamente para su desarrollo continuo. El estudio sugiere que es aconsejable crear una cultura organizativa positiva que apoye el capital intelectual.

Originalidad/valor: Este estudio contribuye a la comprensión de la relación entre el capital intelectual y los resultados financieros por primera vez en el sector asegurador de la Bolsa de Ammán. Los resultados ponen de relieve la importancia de gestionar e invertir en capital intelectual como recurso estratégico para mejorar el rendimiento financiero.

Palabras clave: Inversión Socialmente Responsable, Rasgos de Personalidad, Empleados Públicos.

INTRODUCTION

The investment is focused on the return from the current setback of the fund and not based on the social or environmental commitment before one decade. Developing countries like India have now faced the exploitation of natural resources for financial benefit. The investors'

decision on SRI avenues is the need of the hour for overcoming the situation. The investment process that properly considers the Social and environmental impact of investments in the financial analysis is termed Socially Responsible Investment (SRI). "Socially Responsible Investing" is the incorporation of an investor's social or ethical criteria in the investment decision-making process (Amy Domini and Peter D Kinder, 1994). When conducting SRIs, the investor avoids investing in businesses that are not socially responsible; on the one hand, the investor's specific interests or firmly choose to invest in companies that operate socially responsible. Most socially responsible investors want to avoid investing in companies that put people at risk of unhealthy, companies that harm the Environment, and companies with a bad reputation regarding human rights or employment policies and practices. SRI is also called green investment because of the widely used criteria for environmental screening. Given the nature of the company's activities, the investment is considered socially responsible. The term SRI is not much established or known to the rural people of Kerala, but the idea behind the concept may be familiar to them. SRI is the integration of Environmental and Social orientation into the investment decision. This concept further developed the concept of Environmental, Social and Governance (ESG) investment. SRI investors should make their decisions regarding investment not only with financial performance but also with business performance. It is a way of evaluating a company's strengths, its results based on its use of ESG standards, and its potential for future growth.

Personality can be described on three levels: characteristics, traits and life stories. Psychologists study individual differences through different ages. Some trait theories explain a different number of traits and dimensions of personality, like the sixteen-factor theory of Raymond Cattell and the five-factor theory of Robert McCrae and Paul Costa. Lewis Goldberg named the five-factor theory as Big Five personality. The Big five personality traits are Openness, Conscientiousness, Extroversion, Agreeableness, and Neuroticism (OCEAN).

Openness is the response to the environmental and social background and changes; otherwise, it is the response to experience and its link with intellectual activity. It is the ability to think out of the box and creative and artistic value and interest in learning new things. Conscientiousness is the ability to control impulses, lead a disciplined life and fulfil goals within the limitations. The person with this trait will be thoughtful and careful and have a deep sense of duty and orderliness. Extroversion is a person's intensity or level of interaction with society and the Environment and a tendency to seek stimulation and company; make good relationships with society. This trait is the basis of an individual's sociability, assertiveness, and

emotional expression. Agreeableness is the tendency to keep the relationship and interactions with others. It is the willingness to accept others and cooperate with fellow mates. Neuroticism is the opposite of a stable personality and describes emotional stability and the ability to experience negativity. It is the tendency to experience and expect unpleasant emotions. In the current study, investigators try to check the relationship between attitude towards SRI and the personality of government employees and study their biases in financial decisions related to these variables.

This focus is on the investors' thoughts on environmental and social orientation and their perception of investment in the avenues using sustainability measures. The covid-19 pandemic may give the human community to think about social and environmental commitment and help to think about action for sustainability. This paper presents the investors' perception of SRI in relation to the current thoughts on the Covid pandemic situation. The study was conducted in the central part of Kerala state. The study concentrates on the perception of Govt. employees' on SRI and the avenues which provide positive and negative impacts on the Environment and society. The study also concentrates on the relationship between personality traits and attitudes towards SRI. The study may help screen positive and negative investment avenues and investors' preferences on these avenues.

Objectives of the study are:

1. To know the Govt. employees' awareness and attitude towards SRI
2. To study the differences in attitude on SRI according to demographic factors
3. To study the preferences of Govt. employees on investment avenues according to SRI
4. To study if there is any significant relationship between personality traits on the attitude towards SRI of select Government employees in Kerala

LITERATURE REVIEW

Al-Mahdi, M. M. A., & Faisal, M. Z. (2023) is tried to identify the most important challenges for the local investment commissions and to develop solutions and proposals to encourage local and foreign investment in local governments in Iraq. that research involved a mixed-methods approach through two stages: during the first stage, the researcher gathered quantitative data and the second stage used quantitative data. The study found a number of legal and administrative challenges.

Alzghoul, A., Al_kasasbeh, O., Alsheikh, G., & Yamin, I. (2023) examined the relationship between savings and investment in the Jordanian economy during the period 1980-2020. The study used the data collected from the Department of statistics Jordan. The analysis used Unit root method, and bond cointegration test. The study found that saving and spending have had a long-term relationship and a significant proportion of domestic saving remains in the Jordan economy to fund domestic investment.

Hellstorm, J., Lapanam, N., and Olsson, R. (2020) researched SRI among parents and adult children and evidenced the positive correlation between the investment behaviour of parents and their children in the SRI mutual fund. It found the influence of parents' behaviour on children's behaviour and the strong influence of mothers' socially responsible behaviour on children.

George, Gert, Blomme, Kraanen, and Ppadopoluos (2018) studied pension beneficiaries' behaviour on the SRI portfolio in 2018. The purpose of this study is to examine the intent of retirees to adopt an investment portfolio that is efficient and socially responsible. They use regression and determination analysis to understand retirees' attitudes, social goals, client performance, and intent to make these choices.

Rizvi and Fatima (2014) studied the relationship between the personalities of investors with stock market investment, type, objective, factors influencing the investments, and so on, and they found that there is a relationship, and they helped their clients to develop portfolios according to their personality.

Berry, T.C., & Junkus, J. C. (2013) studied the investor perspective on SRI using the data on individual investors' equity mutual fund portfolios from 2003 to 2007. This study examines a unique group of about five thousand investors, including investors who use SRI and non-SRI criteria in their investment decisions and SR investment criteria. It covers a large circle. They found that investors want to see the SSR as a whole rather than using a subordinate format that supports more SRI funding.

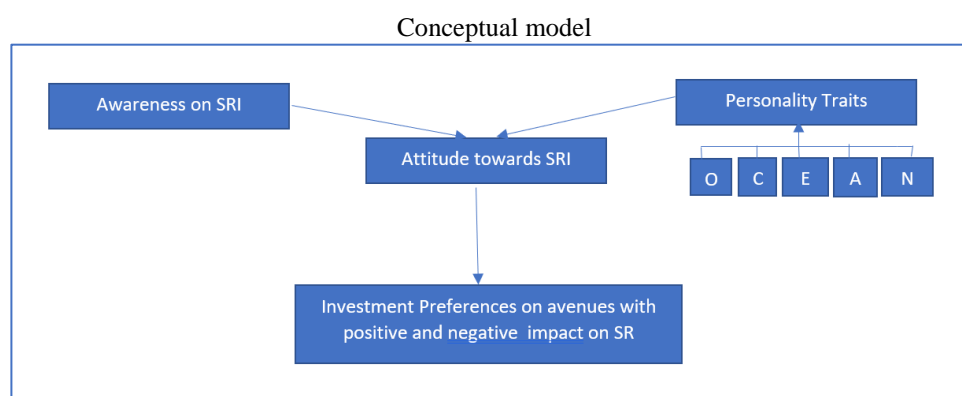
Pandian, V. A., & Thangadurai, G. (2013) studied the investor preference towards various investment avenues in Dehradun district. They found that all the investors invest their surplus money in the select avenues based on their risk-taking attitude. However, they concluded that the investors prefer bank deposits and gold investments to other avenues.

Mayfield, Perdue, and Wooten (2008) examined several psychological antecedents to both short-term and long-term investment intentions with big five personality traits, and they

concluded that extroverts are interested in short financing and neurotic people are interested in avoiding the activity.

Showndhariya and Kavitha (2018) studied the influence of personality type on the investment decision of individual investors. They found that the personality type of the individual investors has no influence on the preference of the traditional investment avenues but has an influence on modern investment avenues

Research gap found for the relationship study of personality and attitude on SRI among investors. The research was focused on the population of government employees in Kerala.



Source: Prepared by the authors (2022).

The hypotheses of the study are:

H₀₁: The difference in the attitude of Male and Female Govt. employees towards SRI is not significant

H₀₂: The difference in the attitude of Govt. employees with different age groups towards SRI is not significant

H₀₃: The relationship between awareness and attitude of Govt. employees towards SRI is not significant

H₀₄: There is no relationship between the personality traits and attitude towards SRI

H₀₅: The attitude on SRI has no discriminant ability on the preferences of investment in the business dealing with negative practices with respect to Social responsibility.

H₀₆: The attitude on SRI has no discriminant ability on the preferences of investment in the business dealing with positive practices with respect to Social responsibility.

MATERIAL AND METHODOLOGY

The descriptive survey method was used to collect data from Govt. employees of Kerala. The sample for the study was selected from the Govt. employees of Kozhikkode, Palakkad and

Kottayam districts which represent the North, Central and South region of Kerala state and the sample size from districts are proportionate to the population. The total sample selected is hundred and forty, thirty-five and twenty-five from each district, respectively. The data were collected by using a questionnaire. The questionnaire has three parts; personality inventory, SRI awareness test, and SRI attitude scale.

The tools used for analysis were t-test, ANOVA, Regression, Multiple regression and Discriminant analysis.

RESULTS AND DISCUSSIONS

Although Corporate social responsibility is mandatory as per the Company's Act 2013, Indian corporates are not much involved in ESG practices. In 2019 and 2020, there is an upward trend among investors depending on the volume of investment.

The list of companies which are included in the performance rank list are:

Table 1 Performance rank list

1	Infosys Ltd.
2	Mahindra & Mahindra Ltd.
3	Tata Chemicals Ltd.
4	ITC Ltd.
5	Vedanta Ltd.
6	Wipro Ltd.
7	Hindustan Unilever Ltd.
8	Godrej consumer products Ltd.
9	Grasim industries Ltd.
10	Bharat Petroleum Corporation Ltd.

Source: Futurescape

ESG Funds in India

ESG funds are integrated investment portfolios which include equities and bonds for Environmental, Social and Governance factors. ESG funds include the equities or bonds of the entities with positive practices for the Environment, society and investors. These funds are the ESG integrated portfolios. In India, the ESG Funds are

Table 2 ESG Funds

1	Aditya Birla Sun Life ESG Fund
2	Axis ESG Fund
3	ICICI Prudential ESG Fund
4	Kotak ESG Opportunities Fund
5	Mirae Asset ESG Sector Leaders ETF
6	Quantum India ESG Equity Fund
7	Quant ESG Equity Fund
8	SBI Magnum Equity ESG Fund

Source: www.morningstar.in

Table 3 Descriptive analysis of Socially responsible funds

Thought about responsibility towards society * Investment in Socially Responsible Funds Cross tabulation				
		Investment in Socially Responsible Funds		Total
		No	Yes	
Thought about responsibility towards society	o	5	0	5
	es	36	59	95
Total		41	59	100

Source: Prepared by the authors (2022).

Table 3 shows that 95% of the respondents think about social responsibility, but only 59% invest in socially responsible avenues.

Table 4 Descriptive analysis of Environment-friendly funds

Thought about your responsibility towards Environment * Investment in Environment-Friendly Stocks based Mutual Fund Cross tabulation					
			Investment in Environment-Friendly Stocks based Mutual Fund		Total
			No	Yes	
Thought about responsibility towards the Environment	o	4	2	6	
	es	84	10	94	
Total			88	12	100

Source: Prepared by the authors (2022).

Table 4 shows that 94% of the respondents think about the responsibility toward Environment, but only 12% of them invest in mutual funds based on Environment-friendly stocks.

Table 5 Descriptive statistics of Personality traits

Variables	M	S.D.
Openness	3.88	0.708
Conscientiousness	3.25	0.632
Extroversion	2.80	0.711
Agreeableness	3.18	0.655
Neuroticism	3.16	0.746

Source: Prepared by the authors (2022).

All the personality traits are above average mean values, and as the weighted score is five, the trait extroversion has less, and openness has a high mean value.

Table 6 Testing the difference between male and female
 Gender-wise analysis of Attitude towards SRI (testing of differences)

Group-wise analysis						
	Category	No.	M	S.D.	t value	Significant level
Attitude towards SRI	Male	41	3.520	0.7299	-0.743	0.461
	Female	59	3.6341	0.6009		

Source: Prepared by the authors (2022).

Table 6 shows no difference in attitudes towards SRI between men and women. The hypothesis H_{01} is therefore accepted. That is to say, the difference in the attitude of Male and Female Govt. employees towards SRI is not significant.

Table 7 Testing the difference between different age groups

Age-wise analysis (ANOVA)					
Attitude towards SRI					
	N	Mean	Std. Deviation	F value	Sig. (2 Tailed)
Below 25	12	3.58	0.29344	0.334	0.855
25-35	51	3.58	0.67404		
35-45	20	3.68	0.73895		
45-55	12	3.44	0.50413		
55-65	5	3.41	0.74618		
Total	100	3.57	0.63254		

Source: Prepared by the authors (2022).

Table 7 shows no significant difference in attitudes towards SRI between different age groups. Thus, hypothesis H_{02} is accepted. So, to speak, the difference in the attitude of Govt. employees with different income levels towards SRI is insignificant.

Table 8 Testing the relationship between Awareness and Attitude
 Relationship between Awareness and Attitude towards SRI

Correlations		
		Awareness on SRI
Attitude towards SRI	Pearson correlation	0.493
	Sig	0.000
	N	100

Source: Prepared by the authors (2022).

Table 8 shows that the Correlation coefficient is significant at 0.00 level, and so the hypothesis H_{03} , the relationship between awareness and attitude of Govt. employees towards SRI is not significant, is rejected.

Table 9 Attitude on SRI in relation to Personality traits - Regression coefficients

Variable	B	Beta	SE.
(Constant)	3.706		0.434
Openness	0.31	0.191	0.017
Conscientiousness	0.034	-	0.019
Extroversion	0.094	0.062	0.019
Agreeableness	0.124	-	0.018
Neuroticism	0.006	-	0.019
R ²	0.064		
AR ²	0.014		
F value	1.285*		

(* - p < 0.05) Source: Prepared by the authors (2022).

Table 9 reveals that the personality factors account for 6.4% of the variance in attitude towards SRI. Among the personality variables, Openness and Extroversion have a positive influence and Agreeableness, Conscientiousness, and Neuroticism have a negative effect on attitude towards SRI. The result of the regression model has been tested using ANOVA. The value of the F – ratio is equal to 1.285 (p < 0.05), which shows that the model is a good fit. It also indicates that adjusted R² is equal to 0.014.

Table 10 Preference in negative practice business in relation to attitude on SRI – Discriminant Analysis
 Wilk's lambda = (1- canonical correlation²) 1-.560² = 0.686

Function	Eigenvalue	Canonical Correlation	Wilks' Lambda	Chi-square	Degree of freedom	Significant level
1	.457	.560	.686	36.138	4	.000

Source: Prepared by the authors (2022).

Table 11 Preference in negative practice business in relation to attitude on SRI – Group statistics

Preferences in investing the business dealing with this negative practice:				Unweighted	Weighted
Preferred	Attitude towards SRI			2	2.000
Often Preferred	Attitude towards SRI			5	5.000
Sometime Preferred	Attitude towards SRI			19	19.000
No Preferred	Attitude towards SRI			35	35.000
Never Preferred	Attitude towards SRI			39	39.000
Total				100	100.000

Source: Prepared by the authors (2022).

The null hypothesis is that the canonical correlations associated with the functions equal zero.

This chi-square statistic verifies that the canonical correlation of the given function is zero. In other words, the null hypothesis is that the function has no capacity to discriminate. This hypothesis is tested using this chi-square statistic.

The table shows that the chi-square test is significant at the 0.00 level. Hypothesis H₀₅ is rejected. ie. The attitude on SRI has no discriminant ability on the preferences of investment in the business dealing with negative practices with respect to Social responsibility.

Table 12 Preference in positive practice business in relation to attitude on SRI – Discriminant Analysis

Function	Eigenvalue	Canonical Correlation	Wilks' Lambda	Chi-square	Degree of freedom	Significant level
1	.136	.346	.880	12.305	3	.006

Source: Prepared by the authors (2022).

Table 13 Discriminant Analysis

Group Statistics				
Preferences in investing in the business dealing with or supporting the positive practice:				
		Unweighted	Weighted	
No Preferred	Attitude towards SRI	10	10.000	
Sometime Preferred	Attitude towards SRI	6	6.000	
Often Preferred	Attitude towards SRI	25	25.000	
Preferred	Attitude towards SRI	59	59.000	
Total		100	100.000	

Source: Prepared by the authors (2022).

Table 12 shows that the chi-square test is significant at 0.05 level. Hypothesis H₀₆ is accepted. ie. The attitude on SRI has no discriminant ability on the preferences of investment in the business dealing with positive practices concerning Social responsibility.

CONCLUSION

Almost all the respondents have positive thoughts on social responsibility but only half of them invest in SRI avenues. Almost all the respondents have positive thoughts on social responsibility but only a few of them investing in mutual funds based on Environment-friendly stocks. Age and gender are not the factors that affect the attitude of Govt. employees towards the SRI. There is a significant correlation between Awareness on SRI and Attitude toward SRI. Persons with different personality traits are different in their attitude towards SRI. The attitude on SRI has no discriminant ability on the preferences of investment in the business dealing with

positive practices concerning Social responsibility. However, at the same time, it has a discriminant ability on the preferences of investment in business dealing with negative practices concerning social responsibility. The gender-wise analysis of preferences of investment avenues with positive and negative practices found that the first one has differ between male and female Govt. employees, and the latter have no difference.

The study has a limitation that the sample size is hundred and the population is only the government employees. Further research can be suggested on different category of investors and the actual investment in SRI avenues.

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