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Linking the CEO personality and firm performance in micro, small and medium enterprises based in western India: measuring the mediating effect of learning and growth intentions

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Abstract: The study of the personality traits is especially relevant in micro, small and medium size enterprises since business process management and improvements is the sole responsibility of the chief executive officer. The learning and growth intentions lead to improvement within the organisation and thereby influence firm performance. The present study aims at identifying the mediating impact of learning and growth intentions on the relationship between personality of the chief executive officer and firm performance. A total of 109 responses from chief executive officers/owners of micro, small and medium size enterprises in the western region of India were analysed to obtain the results of the study. The findings show that the personality of the chief executive officer has an influence on the firm performance and this relationship is fully mediated by learning and growth intentions. The personality traits themselves have varying effects on firm performance.

Keywords: CEO personality; Indian MSME; HEXACO model; learning and growth intention; firm performance; India.

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Balakrishnan Unny is an Assistant Professor in the Information Management Area at the Institute of Management, Nirma University. He is currently pursuing his PhD in the area of Software Project Management from the National Institute of Technology, Tiruchirappalli in Tamil Nadu, India. He has over 13 years of experience in academia and consulting in the area of IT and risk. He has executed projects in cyber security, business continuity, risk, and IT process improvements.

1 Introduction

Micro, small and medium size enterprises (MSMEs) play a vital role in many economies, particularly in developing countries, like India. Globally, they account for more than 90% of businesses and more than 50% of the employment (The World Bank Group, n.d.). The global economy has borne witness to disruptive events in the last two decades that has required organisations to redefine their management paradigms. The MSMEs are constrained by their, lack of resources and lack of processes to manage these resources at every stage of growth (Orser et al., 2000; Singh et al., 2008). These challenges are relevant globally and hold significance while considering national factors as well. Hence, there is a need to understand the business management of MSMEs.

Unlike the large enterprises that are process driven, the MSME business management is often the sole responsibility of the chief executive officer (CEO)/owner. This is especially true when the CEO is proactively involved in the management (Escribá-Esteve et al., 2009). Cultural and demographic factors, strategic orientation, size of the organisation, the intensity of control of the top management; are some of the many ways in which the CEO influences the performance of an MSME (Chu, 2009, 2011; Escribá-Esteve et al., 2009; Davis et al., 2010; Hsu et al., 2013; Araujo-Cabrera et al., 2017; Taipale-Erävala et al., 2019). These factors and influences hold true in every geography including India (Friedmann et al., 2018). In contemporary literature there are sufficient studies that have established an empirical relationship between the personality of the CEO and firm performance in the case of MSMEs (Rauch and Frese, 2007; Zhao et al., 2010). One of the reasons why the influence of personality on firm performance has been researched is due to the fact that the CEO in the case of MSMEs plays the role of chief organiser and decision maker. The personality of the CEO also has a significant influence on how the rest of the management behaves (Araujo-Cabrera et al., 2017).

There are multiple tools to understand personality of an individual (Sawyer et al., 2009; Sinha and Srivastava, 2013; Woo, 2018). The concept of personality includes motives, attitudes, and the direction of individuals' experiences and actions (Woo, 2018). The 'Big Five' personality traits consisting of neuroticism, extraversion, openness, agreeableness, and conscientiousness postulated by Goldberg (1992) led to the development of the five factor model (FFM), which can be used to understand the personality. The FFM was developed lexically and investigations in other languages led to the development of the HEXACO structure (Ashton and Lee, 2008). The six dimensions the HEXACO structure are: honesty-humility, emotionality, extraversion, agreeableness, conscientiousness, and openness to experience. The HEXACO structure capable to measure the personality traits in a holistic perspective in comparison with FFM.

Organisational learning and growth is vital in ensuring that the organisation remains competitive in the business environment (Yang et al., 2018). Learning also has a positive influence on the organisational performance (García-Morales et al., 2007). Organisational learning and growth is the explicit or implicit process of deriving value from the experiences of employees of the organisation (Jiménez-Jiménez and Sanz-Valle, 2011). The learning and growth processes enables the transfer of knowledge across the organisations thereby improving the individual and firm performance in both financial and non-financial aspects (Jiang and Li, 2008; Hussein et al., 2014). The choice of the setting up the process of learning and growth within an organisation is influenced by the personality of the CEO. The learning and growth processes like other processes in

MSMEs are initiated, monitored and improved by the CEO. The organisational desire to learn and grow is driven by the CEO and CEO's personality (Sinha and Srivastava, 2013; Yeni, 2015). In this study, the authors have tested the relationship between CEO/owner personality and organisational performance in MSMEs located in Western India. The authors also have studied the mediating effect of the learning and growth processes on the relationship between personality of the CEO/owner and firm performance.

2 Literature and hypotheses

The six factors of the HEXACO: honesty-humility (the measure of sincerity, fairness and modesty of the individual), emotionality (the measure of tendency to experience negative affects), extraversion (the measure of the extent and intensity of social interactions), agreeableness (the quality of one's social interaction in a range from compassion to antagonism), conscientiousness (the amount of persistence and diligence in goal-directed behaviours), and openness to experience (the willingness to proactively seek and appreciate new experiences) provide a comprehensive measure of personality (Ashton and Lee, 2002, 2008; Lee and Ashton, 2004; Ashton et al., 2014). Many studies have argued that personality of the leader is a determining factor of firm performance (Orser et al., 2000; Lee and Tsang, 2001; Flynn et al., 2001; Nadkarni and Herrmann, 2010; Zhao et al., 2010; Wales et al., 2013; Han et al., 2017; Isaga, 2018). Additionally, many studies have also focused on individual parameters of personality along with the various dimensions of firm performance which include financial and non-financial consideration (Vakola et al., 2004; Oh et al., 2015).

Humility-honesty of the leader discourages deviant behaviour among employees as they feel the CEO is providing the right example and thereby it promotes better performance in organisational tasks (Yoo, 2007). Additionally, humility-honesty of the leader promotes organisational involvement among the employees since the employees look at the organisation as an extension to their leader (Park and Kim, 2014; Han et al., 2017). Thus, we deduce that the humility-honesty of the CEO has significant influence on the firm performance.

Emotionality of the CEO has a significant impact on how the employees interact with leadership and their confidence in performing the assigned tasks (Barrick et al., 2001). The role of a CEO in MSMEs is even more challenging and stressful than the most leadership positions (Zhao et al., 2010). The CEOs who displays emotional stability has a chance to improve the firm performance since they are more likely to deal with high stress environments effectively (Judge et al., 2002).

Extraversion is a measure of a person's assertiveness, optimism in social situations. The extraversion of the CEO influences the employees as most of the employees in small firms are motivated by their leadership (Vecchio, 2003). Ability of the CEO to effectively manage social interactions is vital and significantly related to firm performance (Markman and Baron, 2003; Araujo-Cabrera et al., 2017). Thus, we expect the extraversion to be significantly associated with the firm's performance.

Agreeableness is a measure of personality that measures one's behaviour towards other people. In the case of CEOs, high degree of agreeableness is found to have a significant negative impact on performance as they tend to lack the ruthlessness that is required to compete in the market (Barrick et al., 2003; Zhao et al., 2010). The ability to drive tough negotiations, look out for personal interests, and utilise others, are important

skills for survival and growth (Zhao and Seibert, 2006; Zhao and Jung, 2018). Therefore, we are expecting that Agreeableness will have significant effect on the firm performance.

Conscientiousness is a personality measure that defines an individual's level of motivation, planning and self-control in executing the tasks (Zhao et al., 2010). The attention to detail of the CEO focuses the employees on the task at hand and thus drives performance (Baum and Locke, 2004).

Openness to experience is a personality trait that defines someone who is curious and creative. Leaders of MSMEs have to exhibit creativity and imagination in their day-to-day tasks as they would require out-of-the-box thinking to resolve issues as the organisations are always facing resource crunch (Zhao and Seibert, 2006; Zhao et al., 2010). Therefore, we expect that openness to experience will have a significant effect on the firm performance.

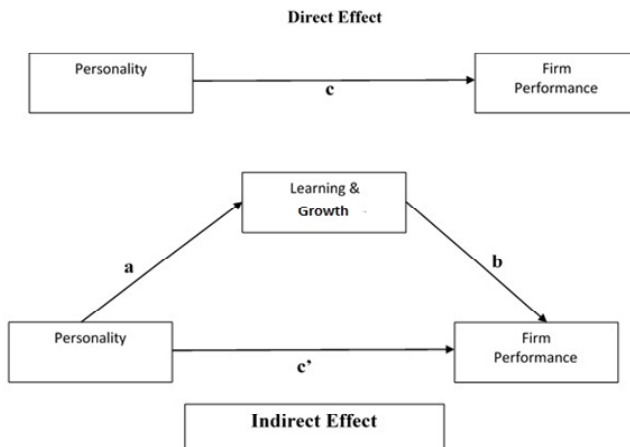
- H₀ Personality of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.
- H_{0a} Honesty-humility of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.
 - H_{0b} Extroversion of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.
 - H_{0c} Conscientiousness of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.
 - H_{0d} Agreeableness of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.
 - H_{0e} Openness to experience of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.
 - H_{0f} Emotionality of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.
- H₁ Personality of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.
- H_{1a} Honesty-humility of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.
 - H_{1b} Extroversion of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.
 - H_{1c} Conscientiousness of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.
 - H_{1d} Agreeableness of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.
 - H_{1e} Openness to experience of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.
 - H_{1f} Emotionality of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.

2.1 Mediating role of learning and growth

The personality traits by themselves are inadequate to explain the MSME performance. Since the relationship between personality traits and firm performance is mediated by multiple factors, including varying approaches, awareness levels, and intent to meet the various objectives (Shepherd and Krueger, 2002; Bajwa et al., 2017). To understand how organisational learning and growth influences firm performance, we need to develop an understanding of organisational learning. The organisational learning encourages knowledge sharing and thereby improves firm performance (García-Morales et al., 2007). The effectiveness of learning and growth processes, can lead to competitive advantage and is key to future firm performance (Özşahin et al., 2011). The leaders who display commitment to the learning and growth facilitate organisational learning and change thereby improving firm performance (Paparoidamis, 2005). At the heart of organisational learning, is the willingness to accept the shortcomings of the existing knowledge pool and continuously strive to rectify these shortcomings (Day, 1992). This openness to learn and commitment to learn requires a shared vision among all parties to ensure the positive influence on firm performance (Özşahin et al., 2011; Pett et al., 2019). Organisations that have learning and growth intention generally outperform their competitors in competitive environment (Mavondo et al., 2005; Farrell et al., 2008). Since the CEO is responsible for creating the orientation for learning and growth the personality of the CEO influences the learning and growth process (Vakola et al., 2004; Yang et al., 2018). Thereby, it can be expected that learning and growth intentions in the organisation will mediate the relationship between the personality of the CEO/owners and firm performance. The proposed research model is presented in Figure 1.

H₂ Learning and growth Intention will mediate the relationship between CEO personality and firm performance.

Figure 1 Proposed model



3 Methodology

To attain the purpose of the study, data was collected from the western region of India mainly from the MSME hub India; the State of Gujarat by convenience sampling method. The data was collected using online and offline questionnaires. A total 150 responses were received from CEOs/owner of 150 MSME located in western region of India. Out of 150 responses a total of 109 responses were considered for the analysis. The descriptive analysis of the respondents is presented in Table 1 and the descriptive statistics of the variables is detailed in Table 2. The survey was conducted with help of the students, who were from family business and involved directly or indirectly with their family businesses. In the study, around 86.2% businesses are run by male owners and 13.8% were by female owners. Over 79% owners of the organisations are having undergraduate degree and 15% owners are having post-graduate degree. Rest 4.6% owners of the organisations are having only high school or secondary school degree. The majority of owners surveyed for the study are in the age bracket of up to age of 30, which represents the more than 52% of the responses. The businesses surveyed came from the different ages, 11–30 years of age of the organisations covers almost 71% of the responses. The responses of the study were collected through convenience sampling by using the contacts. Before deploying any statistical method to analyse the research objectives, to ensure the internal consistency of the scales items reliability testing was conducted. After analysis it was found that Cronbach alpha values for all study variables were more than 0.07 (firm performance 0.920, personality 0.928, honesty-humility 0.728, emotionality 0.737, extroversion 0.803, agreeableness 0.768, conscientiousness 0.901, open to experience 0.830 and learning and growth 0.830) which were well in acceptable range as suggested by Nunnally (1994). To make the survey more relatable and understandable, every respondent was told the purpose of the study.

3.1 Measure

HEXACO personality inventory suggested by Lee and Ashton (2004): was used to measure the six personality traits (honesty-humility, emotionality, extroversion, agreeableness, conscientiousness and openness to experience) of the respondents of the study. Learning and growth and firm performance (financial and non-financial) was measured using items of the scale developed by Han et al. (2017). To obtain the desired result of the present study, different statistical tools like; descriptive statistics, correlation coefficients, multiple regression and mediation analysis were employed using SPSS (version 22) and AMOS software.

4 Results

Subsequently correlation coefficient was run to check the strength of association between demographic factors, dependent variable (firm performance), independent variable (personality traits) and mediating variable (learning and growth). From the Table 3, it can be seen that various factors of the personality traits, learning and growth and firm performance are highly (firm performance with honesty-humility, emotionality, extroversion, agreeableness, conscientiousness, open to experience, personality, learning and growth: 0.456**, 0.622**, 0.552**, 0.636**, 0.650**, 0.751**, 0.817**, 0.950**,

0.931**) correlated with each other on 99% confidence level and for every association significant value is $p < 0.001$.

Table 1 The descriptive analysis of respondents

<i>Descriptive analysis</i>				
<i>Division</i>	<i>Items</i>	<i>Frequency</i>	<i>%</i>	<i>Cumulative %</i>
Gender	Male	94	86.2	86.2
	Female	15	13.8	100
	Total	109		
Age	Up to 30 years	57	52.3	52.3
	31–45 years	18	16.5	68.8
	46 years and above	34	31.2	100.0
	Total	109		
Education	Post graduate	17	15.6	15.6
	Under graduate	87	79.8	95.4
	HSC	3	2.8	98.2
	SSC	2	1.8	100.0
	Total	109		
Organisation age	1–10 years old	17	15.6	15.6
	11–20 years old	39	35.8	51.4
	21–30 years old	36	33.0	84.4
	31 years and above	17	15.6	100.0
	Total	109		

Source: Primary data

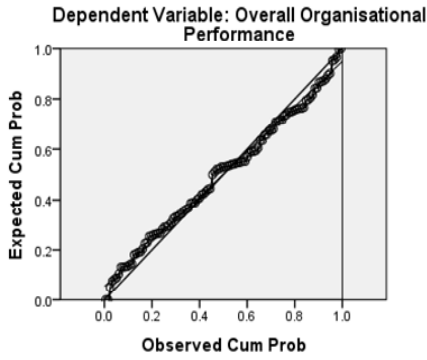
Table 2 The descriptive statistics and reliability testing for the study variables

<i>Descriptive statistics and reliability testing</i>					
<i>Factors</i>	<i>Mean</i>	<i>Std. deviation</i>	<i>N</i>	<i>VIF</i>	<i>Cronbach's alpha</i>
Firm performance	22.48	8.553	109		0.920
Personality	55.0367	15.51100	109	1.000	0.928
Honesty-Humility	8.87	3.278	109	0.042	0.728
Emotionality	10.47	2.930	109	0.179	0.737
Extroversion	9.02	3.274	109	0.188	0.803
Agreeableness	9.50	3.205	109	0.134	0.768
Conscientiousness	8.51	3.884	109	0.199	0.901
Open to experience	8.66	3.345	109	0.233	0.830
Learning and Growth	8.82	3.596	109	1.000	0.830

Source: Primary data

Figure 2 Normality, linearity and multicollinearity

Normal P-P Plot of Regression Standardized Residual



Scatterplot

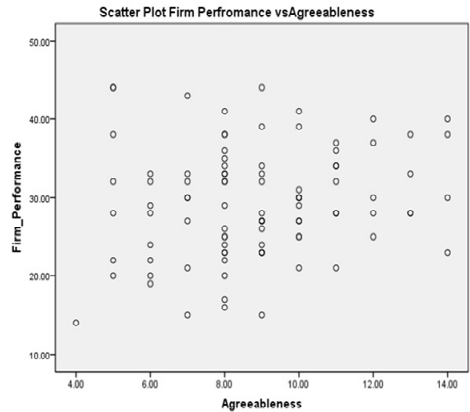
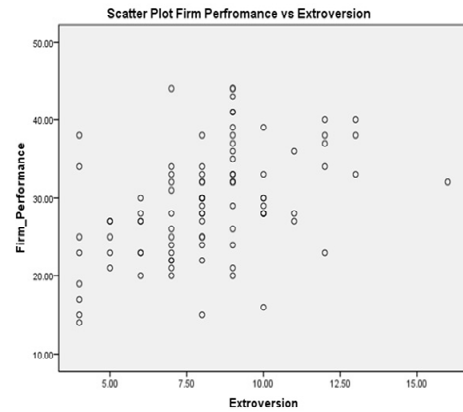
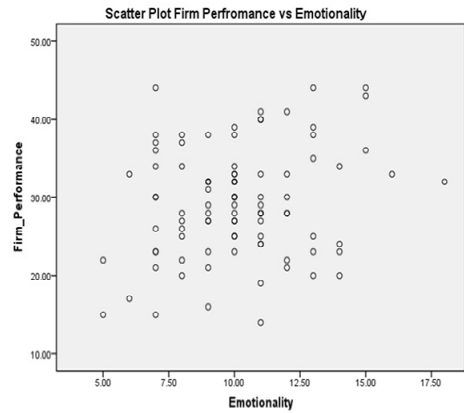
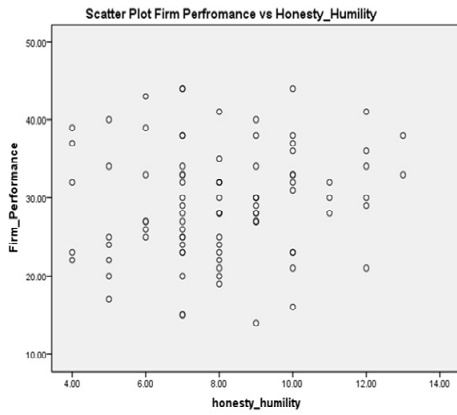
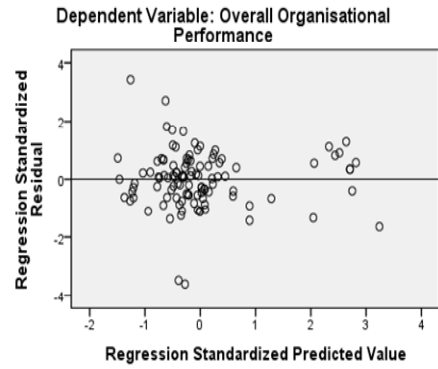
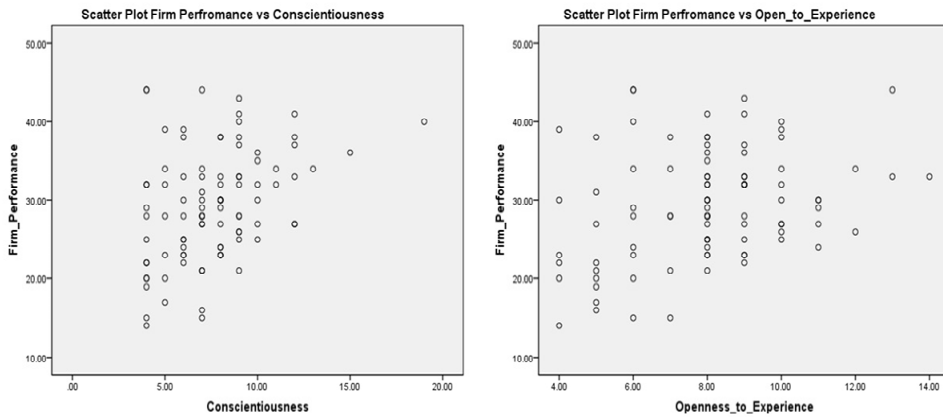


Figure 2 Normality, linearity and multicollinearity (continued)

To check the normality of the data normal probability plot (P-P) (refer Figure 2) of the Regression Standardised Residual and the Scatter-plot were used. From the Figure 2, it can be seen that points are on the straight diagonal from bottom left corner to top right corner, so there is no issue of the normality. Tabachnick and Fidell (2013) explained that “outliers as cases that have a standardised residual (as displayed in the scatterplot) of more than 3.3 or less than -3.3 . With large samples, it is not uncommon to find a number of outlying residuals. If you find only a few, it may not be necessary to take any action.” Figure 2 also represents the scatter plots, in the figure it can be seen that the residual are rectangular distributed and majority of scores are positioned in centre with 0 only, hence there is no issue of the normality and multicollinearity existed in the data for present study.

Multiple linear regression for the study variables, along with R^2 , adjusted R^2 , standardised beta value, t-value and significance values are shown in the Table 4. The intent to employ multiple linear regression was to measure the impact of different personality traits on firm performance. Before applying multiple regression analysis, initial analysis to check the normality, multicollinearity, linearity, and homoscedasticity was performed. In this analysis we have not found any issue related to multicollinearity and normality.

As it can be seen from Table 4 personality of the CEO has a significant positive (beta, 0.751; t-value 11.754 and $p < 0.001$) influence on firm performance, which explains (adjusted R^2 0.549) 54.9% variance towards the dependent variable that, i.e., firm performance. Further individual impact of the six personality traits was also measured to check the most influential personality trait. From the analysis, personality traits namely emotionality (t-value-2.408, $p < 0.05$), extroversion (t-value-1.998, $p < 0.05$) and open to experience (t-value-2.402, $p < 0.05$) were found to be significant and honesty-humility (t-value-0.429, $p > 0.05$), agreeableness (t-value-1.473, $p > 0.05$) and conscientiousness (t-value-1.864, $p > 0.05$) were found to be insignificant.

Table 3 Correlation coefficients for the variables of the study

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Age (1)	1	0.698**	0.223*	-0.415**	-0.087	-0.196*	-0.331**	-0.365**	-0.172	-0.340**	-0.257**	-0.153	-0.252**	-0.211*
No. of year in leadership position (2)		1	0.437**	-0.351**	-0.085	-0.017	-0.302*	-0.329**	0.002	-0.332**	-0.155	-0.018	-0.097	-0.064
Age of organisation (3)			1	-0.068	-0.027	-0.053	-0.098	-0.065	-0.020	-0.071	-0.063	-0.081	-0.015	-0.055
Honesty-humility (4)				1	0.379**	0.574**	0.644**	0.630**	0.593**	0.823**	0.573**	0.571**	0.491**	0.567**
Emotionality (5)					1	0.383**	0.306**	0.258**	0.417**	0.568**	0.483**	0.420**	0.440**	0.450**
Extroversion (6)						1	0.498**	0.665**	0.612**	0.806**	0.585**	0.649**	0.511**	0.622**
Agreeableness (7)							1	0.616**	0.515**	0.771**	0.540**	0.532**	0.504**	0.552**
Conscientiousness (8)								1	0.674**	0.845**	0.631**	0.640**	0.551**	0.636**
Open to experience (9)									1	0.824**	0.687**	0.636**	0.584**	0.650**
Personality (10)										1	0.754**	0.744**	0.663**	0.751**
Learning and growth (11)											1	0.758**	0.781**	0.817**
Financial performance (12)												1	0.771**	0.950**
Non-financial performance (13)													1	0.931**
Firm performance (14)														1

Notes: **Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed).

Source: Primary data

Table 4 Multiple regression analysis

<i>Multiple regression analysis</i>						
<i>Independent variable</i>	<i>Dependent variable</i>	<i>R²</i>	<i>Adjusted R²</i>	<i>Beta</i>	<i>t-value</i>	<i>Sig.</i>
Personality	FP	0.574	0.549	0.751	11.754	0.000
Honesty-humility	FP		0.042	0.429	0.669	
Extroversion	FP		0.188	1.998	0.048	
Conscientiousness	FP		0.199	1.864	0.065	
Agreeableness	FP		0.134	1.473	0.144	
Open to experience	FP		0.233	2.402	0.018	
Emotionality	FP		0.179	2.408	0.018	

Source: Primary data

Table 5 Before mediator

<i>Before mediator (learning and growth)</i>						
<i>Variable</i>		<i>Beta estimates</i>	<i>S.E</i>	<i>C.R.</i>	<i>P-value</i>	<i>Result</i>
Firm performance	← Personality	1.449	0.164	8.841	0.000	Significant
<i>Model fit indices (before mediator, learning and growth)</i>						
<i>CMIN/DF</i>	<i>NFI</i>	<i>RFI</i>	<i>TLI</i>	<i>CFI</i>	<i>RMSEA</i>	
1.482/19	0.944	0.918	0.972	0.981	0.057	

Source: Primary data

Table 6 After mediator

<i>After mediator (learning and growth)</i>						
<i>Variable</i>		<i>Beta estimates</i>	<i>S.E</i>	<i>C.R.</i>	<i>P-value</i>	<i>Result</i>
Learning and growth	← Personality	0.220	0.035	6.213	0.000	Significant
Firm performance	← Personality	0.075	0.341	0.220	0.826	Insignificant
Firm performance	← Learning and growth	5.967	1.590	3.735	0.000	Significant
<i>Model fit indices (after mediator, learning and growth)</i>						
<i>CMIN/DF</i>	<i>NFI</i>	<i>RFI</i>	<i>TLI</i>	<i>CFI</i>	<i>RMSEA</i>	
2.764	0.843	0.854	0.833	0.891	0.067	

Source: Primary data

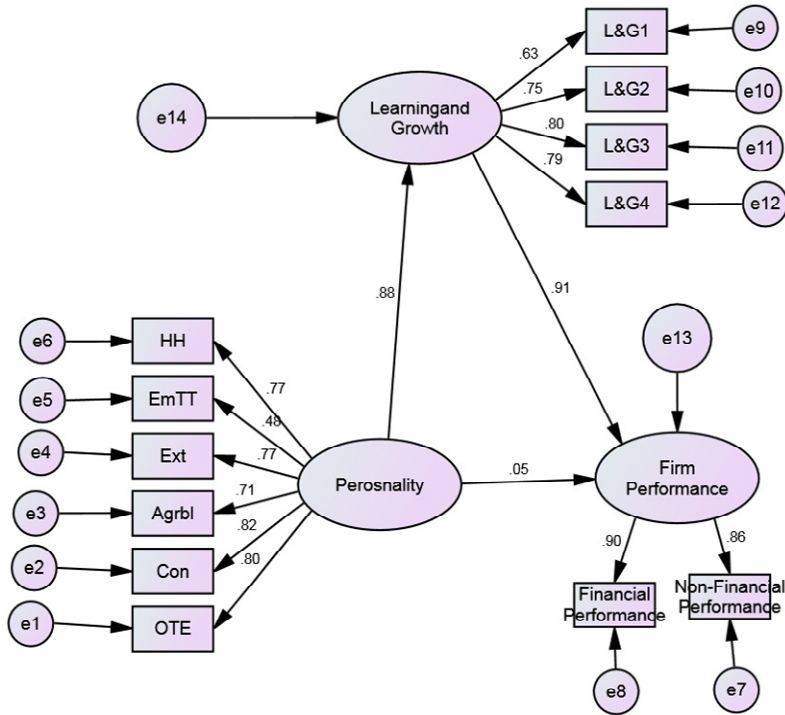
Subsequently, in order to test the hypothesis H2 (to test the mediating role of Learning & Growth intention between CEO personality and firm performance) mediation analysis was run through SPSS-AMOS. Table 5 shows the direct effect of independent variable towards the dependent variable. From the table it can be seen that independent variable (personality) has a significant relationship ($p < 0.001$, beta value-1.449 and model fit indices) with dependent factor (firm performance). Model fit indices (CMIN/DF-

1.482/19, NFI-0.944, RFI-0.918, TLI-0.972, CFI-0.981, and RMSEA-0.057) also reflect the significant direct relationship between dependent and independent variables. Further to indirect effect is presented in Figure 3 shows the model fit indices for mediating effect of learning and growth intention between CEO's personality and firm performance. After applying maximum likelihood method, all model fit indices are in the acceptable ranges (CMIN/DF-2.764, NFI-843, RFI-0.854, TLI-0.833, CFI-0.891, and RMSEA-0.067) and the model represents a complete mediating effect of learning and growth intention as direct effect turned to be insignificant. Hence, our hypothesis no. H2 is accepted.

Table 7 Results of hypothesis testing

<i>Hypothesis no.</i>	<i>Hypothesis</i>	<i>Remarks: accept/reject</i>
H ₀	Personality of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.	Rejected
H _{0a}	Honesty-humility of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.	Accepted
H _{0b}	Extroversion of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.	Rejected
H _{0c}	Conscientiousness of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.	Accepted
H _{0d}	Agreeableness of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.	Accepted
H _{0e}	Openness to experience of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.	Rejected
H _{0f}	Emotionality of CEO/owner has no significant effect on firm performance in MSMEs located in the western region of India.	Rejected
H ₁	Personality of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.	Accepted
H _{1a}	Honesty-humility of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.	Rejected
H _{1b}	Extroversion of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.	Accepted
H _{1c}	Conscientiousness of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.	Rejected
H _{1d}	Agreeableness of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.	Rejected
H _{1e}	Openness to experience of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.	Accepted
H _{1f}	Emotionality of CEO/owner has a significant effect on firm performance in MSMEs located in the western region of India.	Accepted
H ₂	Learning and growth intention will mediate the relationship between CE personality and firm performance.	Accepted-

Figure 3 Measurement model of the study (see online version for colours)



Notes: Honesty-humility (HH), emotionality (EmTT), extroversion (Ext), agreeableness (Agrbl), conscientiousness (Con), open to experience (OTE)

5 Discussion, implication and limitation

In the present study, we have empirically tested the relationship between the six personality traits of the HEXACO model and firm performance in the case of CEOs of MSMEs located in the western part of India. The HEXACO model was chosen as it resolves the documented pitfalls of the big five personality model (Ashton and Lee, 2008). It was found that the personality of the CEO has an influence on the firm performance, however the personality traits by themselves have a varying amount of significance in the relationship. Additionally, in the study, the mediating effect of learning and growth intentions was tested. it was found that learning and growth intentions fully mediates the relationship between CEO personality and firm performance. So our Hypotheses H1 and H2 are fully supported which is similar to results obtained in other studies (Goldberg, 1992; Flynn et al., 2001; Jiang and Li, 2008; Jiménez-Jiménez and Sanz-Valle, 2011; Özşahin et al., 2011). Further to investigate at a micro level, the impact of the six personality traits was test and mixed results were found.

Hypotheses H1a, H1c and H1d related to honesty-humility, conscientiousness and agreeableness respectively were found to have insignificant impact on firm performance. This result is in contradiction to the accepted knowledge detailed in the literature (Barrick et al., 2003; Baum and Locke, 2004; Yoo, 2007; Zhao et al., 2010; Park and Kim, 2014).

These results may be because there are factors such as the overall competitive environment; that influence the personality of the CEO will not be able to compensate for. Hypotheses H1b, H1e and H1f related to extroversion, openness to experience and emotionality respectively were found to have significant impact on firm performance. Thus result is in line with the result of related studies (Judge et al., 2002; Markman and Baron, 2003; Zhao and Seibert, 2006; Araujo-Cabrera et al., 2017). The emotionality of the CEO reflects upon the ability to remain calm in uncertain situations and as a CEO of MSME this ability will lead to superior firm performance (Yang et al., 2018). The extraversion of the CEO leads to assertiveness in the leadership and this will lead to improved firm performance. The openness to experience will enable the CEO to experiment and question the status-quo and thereby lay the foundation for creating improvements to firm performance. Although results regarding the effect of personality traits on firm performance have been inconclusive, researchers tend to believe that personality traits have either direct or indirect effect on the firm performance (Isaga, 2018).

The Hypothesis H2 (learning and growth intention will mediate the relationship between CEO personality and firm performance) is found to be significant. This is in line with the results of the previous studies (McDonough, 2000; Aragon-Correa et al., 2007; Özşahin et al., 2011). Personality traits of the CEO have significant influence on the firm performance through the learning and growth intention on the CEO. Learning and growth intentions reflect upon the CEOs ability to put forth process and systems that enable the organisation to achieve competitive advantage (Calantone et al., 2002). Learning and growth intention also serve as the basis for various perspectives of the firm performance which include financial and non-financial perspectives (Lee, 2005).

Despite having valuable insights, our study is not free from limitations. Our study is not considering the external contextual factors that may influence the performance of the firm. We have not measured the effect of demographics of CEO's on firm performance. A study on the demographics and their mediating and moderating effects could be conducted to get a better understanding. The study is cross-sectional in nature and limited to the western region of India, so results cannot be generalised to other geographical areas. A multi-regional study across India is a future direction for the current discussion. The study is dominated by the male respondents which is the representative of the sample population. However, an increase in number of woman CEOs can alter the outcomes, hence gender-specific study could be explored. Additionally, there are other factors that may influence the relationship between CEO's Personality and firm performance such as technology competence of the CEO, the degree of internationalisation of CEO and market knowledge of the CEO. These factors may be explored in future studies. Another limitation of this study in the sample size of 109 CEOs out of a total estimated number of MSME in the western region India of 10.7 Million. The same study may be replicated with a larger statistically supported sample size. Moreover, a study can be conducted to identify the differences in firm performance in context of nonfamily CEOs and family CEOs. Additionally, with COVID-19 causing a disruption to the traditional business environment an exploration of post-pandemic recovery of MSMEs to the original status could be explored. This is especially relevant as the influence of the personality traits in new normal stage may be varied.

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