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PSYCHOLOGICAL BIASES, PERSONALITY TRAITS, AND INVESTMENT BEHAVIOR: THE ROLE OF FINANCIAL INFORMATION

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Abstract:
This research examines the influence of psychological biases and dispositional traits on individual investment behavior within the framework of behavioral finance. Traditional financial theory posits that investors process information rationally; however, behavioral research demonstrates that cognitive and affective factors systematically shape financial decision-making. Drawing on survey-based evidence, the study investigates how investors' psychological characteristics affect their investment behavior in contexts where accounting-related decisions rely primarily on accounting-derived information. Data were collected from 410 participants via online questionnaires and analyzed using regression analysis. The findings reveal that overconfidence, herding behavior, risk tolerance, and self-monitoring significantly and positively impact Turkish investors' investment behavior.

Keywords:
Behavioral finance, Psychological biases, Personality traits, Investment behavior, Financial information

JEL Classification:
G41, N20, D53, M41

1. Introduction
Individuals routinely make decisions in various aspects of life, many of which are influenced by financial information. While some choices are straightforward, such as selecting a beverage for lunch or deciding to carry an umbrella based on a weather forecast, others are more complex and involve financial considerations.

Classical and neoclassical economic frameworks posit that individuals act rationally when making economic decisions. Based on this, traditional finance theory assumes that investors operate in efficient markets with free access to relevant information, facilitating rational investment decisions. However, information is often incomplete, and markets frequently deviate from efficiency, making strict economic rationality unattainable for most investors. This discrepancy prompts inquiry into the actual determinants of financial choices. Behavioral finance addresses this issue by emphasizing market anomalies and the psychological and behavioral factors that systematically influence investment behavior.

Unlike traditional finance, behavioral finance acknowledges that individual decision-making is inherently imperfect and that markets are not consistently efficient. Investment choices are shaped by emotional states, cognitive limitations, social influences, and personal characteristics, which collectively introduce systematic distortions that divert investors from rational wealth maximization. To address these complexities, behavioral finance employs an interdisciplinary approach, integrating perspectives from accounting, sociology, psychology, and anthropology.

Among the four independent variables analyzed in this study, overconfidence, herding behavior, and risk tolerance are extensively documented in the behavioral finance literature. Conversely, self-monitoring has received limited scholarly attention, and most studies have been conducted in developed countries. Also, this variable has not been examined within the Turkish context, particularly in an emerging market. No prior research in Turkish literature has simultaneously investigated overconfidence, herding, risk tolerance, and self-monitoring. The originality of this study

lies in its comprehensive analysis of these four variables in Turkiye, an emerging market, and in its inclusion of self-monitoring.

To address these research gaps, this study examines the investment behavior of individual investors who primarily rely on financial information from the BIST. Specifically, the research examines the effects of overconfidence, herding, risk tolerance, and self-monitoring within the behavioral finance framework.

This research contributes to the behavioral finance literature by illustrating how psychological biases and individual traits influence investment behavior in environments dominated by financial information. By highlighting the role of accounting-derived financial information as the primary input for investment decisions, the study offers new perspectives on how individual cognitive characteristics affect the interpretation and utilization of financial information, particularly in emerging markets. Additionally, the findings are discussed in relation to accounting knowledge shaped by cultural factors. The cultural theories developed by Hofstede (1980) and Gray (1988) are presented to elucidate how societal culture and values influence the orientation and values of accounting knowledge.

2. Literature Review

In the field of behavioral finance, many new theories and models have been proposed and discussed by researchers. Now, in addition to financial statement information such as profits, assets, losses, debts, and receivables, the impact of investors' emotional states on decision-making behavior is beginning to be discussed.

According to Baker et al. (2019), overconfidence is among the most-studied psychological biases. The studies found overconfidence bias across many markets and determined that it affects investment behavior. Shrotryia and Kalra (2023) observed in 46 stock markets. In their study of the VSE, Quang et al. (2023) found that overconfidence bias significantly affects investment decisions. Adielyani and Mawardi (2020) investigated the relationship between overconfidence, herding behavior, risk tolerance, and stock investment among millennial investors in Indonesia. They found that these variables accounted for 70.6% of the variation in investment behavior.

In their study, Bakar and Yi (2016) concluded that investment behavior is influenced by overconfidence, conservatism, and availability biases. In this study, the cultural dimension was incorporated as an independent variable. As demonstrated in the extant literature, investors from Romania (Toma, 2015), Pakistan (Ahmad & Wu, 2023), Nigeria (Babajide & Adetiloye, 2012), China (Zaiane, 2013), and Singapore (Phan et al., 2020) also exhibit overconfidence behavior. Alsbben and Alarfj (2020) discovered that investors in the SSEM are affected by overconfidence bias using a VAR model. In a similar vein, Metwally and Darwish (2015) observed the same effect in the ESE. Pikulina et al. (2017) examined the relationship between investment levels and overconfidence, finding that investors who make intemperate investments exhibit high levels of overconfidence, whereas those with low overconfidence invest less. Rauf et al. (2018) conducted a study to investigate the relationship between risk tolerance and overconfidence in investment behavior and performance. The findings of this study indicated that these biases significantly affect both. The same study posited that overconfidence is more effective for these dependent variables than loss aversion. Siraji's (2019) study, conducted in Colombo, established a significant relationship between investment performance and overconfidence. Kuranchie-Pong and Forson (2022) found that during the pandemic caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), Ghanaian stock exchange investors exhibited a lack of humility and engaged in excessive trading, leading to weekly fluctuations in market prices. This suggests that investors may be susceptible to the overconfidence bias, even in highly uncertain crisis situations. Shorttoryia and Kalra's (2023) study also analyzed investor overconfidence across multiple markets during the pandemic caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). In their study, the researchers posited that there was a very high level of overconfidence in the Chinese, Turkish, Jordanian, Taiwanese, and Vietnamese stock markets during the pandemic. As Malik et al. (2019) assert, overconfidence exerts a substantial and positive influence on investment decisions, with the extent of this impact moderated by risk tolerance. Furthermore, a substantial body of research in the relevant literature has demonstrated that investment behaviour is influenced by overconfidence bias (e.g. Candraningrat & Sakir, 2019; Chhapra et al., 2018; Kartini & Mahda, 2021; Kasoga, 2021; Kengatharan, 2014; Koma & Jatiningsih, 2024; Lim, 2012; Madaan & Singh, 2019; Meir et al., 2006; Metawa et al., 2019; Prosad et al., 2017; Qasim et al., 2019; Rahman & Gan, 2020; Ramalakshmi et al., 2019; Rehan & Umer, 2017; Yuliani & NurwAs asserted by Ulandari (2023) and Zia et al. (2017).

Research indicates that herding behavior is considerably more prevalent among individual investors than among their institutional counterparts (Lee et al., 2004). This tendency can be ascribed, in part, to the comfort individual

investors derive from matching their actions with those of others in the market (Bikhchandani & Sharma, 2000). Such investors often perceive the collective trading decisions of market participants as a valuable and credible source of information (Baddeley, 2010; Luong & Doan, 2011), leading them to place significant trust in market-wide sentiment. As a result, they are inclined to respond hastily to shifts in fellow investors' trading patterns (Kartini & Nahda, 2016). Extensive research has been carried out in the academic literature on herding behavior, just as with overconfidence. As a result of their study of the VSE, Quang et al. (2023) found that herding behavior and overconfidence significantly affect investment decisions. Baker et al. (2019) argued that investors exhibit herding behavior in their study of Indian investors. Again, in a study by Jain et al. (2020) of individual investors in India, the authors found that investors exhibit herding behavior. Additionally, Chen and Tai (2011) experimentally demonstrated the presence of herd psychology in their study of ESE's, except during periods of crisis and turmoil. Also, in their research on stock exchanges across 18 countries, Chiang and Zheng (2010) found that investors exhibit herd behavior across developed and Asian stock exchanges, excluding the American market. Metawa et al. (2019) observed a similar effect in their study of the ESE, reporting that investors exhibited herd behavior. According to this study, herding behavior influences investment decisions. Khan et al. (2020), in their study on cognitive biases, found a significantly positive relationship between investment behavior and herding. In their study, Madaan and Singh (2019) observed that herding and overconfidence were the most effective in shaping investment behavior. Studies on the PSE also suggest that investors exhibit herd behavior (Ahmad & Wu, 2022; Chhapra et al., 2018). Likewise, a study conducted in Yogyakarta demonstrated that herding behavior has a significant positive effect on individual investors' investment decisions (Kartini & Nahda, 2021). In their study of the ASE, Alrabadi et al. (2018) found that behavioral biases such as herding and overconfidence influence investment performance. Additionally, numerous studies in the literature have found that investors exhibit herding behavior, which affects investment decisions (e.g., Adielyani & Mawardi, 2020; Adiputra & Rahardjo, 2021; Javed et al., 2017; Kengatharan, 2014; Kimeu et al., 2016; Koma & Jatiningsih, 2024; Maina et al., 2008; Ramalakshmi et al., 2019).

As noted in the literature review, the impact of behavioral finance on financial decision-making is now the subject of a debate. The literature review revealed that no study has yet been conducted on this topic in Turkey, which remains an emerging market. This was examined, particularly in light of the progression of financial information, a product of accounting, across multiple cultures. In Gray's (1988) study, when values such as professionalism versus statutory control, uniformity versus flexibility, conservatism versus optimism, and secrecy versus transparency are considered, it is evident that the behavioral dimension is noteworthy even in the production of financial information.

3. Methodology

3.1. Sample and Sampling Technique

The target population for this study consists of individual investors active on the Turkish Stock Exchange. Snowball sampling was utilized in it.

The sample for this research comprises 384 individual investors from İstanbul, Ankara, İzmir, Bursa, and Antalya. Certain criteria were determined before forming the research sample. To become an investor on the BIST, one must be at least 18 years old (BIST, 2023). Therefore, people under this age were excluded from the sample. Inclusion requisitions were for individuals who were investors and made at least one buying or selling transaction on the BIST in the last 1 year. Additionally, Grammarly was used to proofread this paper.

3.2. Hypotheses and Research Model

Multiple psychological biases and personality traits influence individual investment behavior. Accordingly, the hypotheses presented in Table 3.1 are formulated based on the existing academic literature. A research model, depicted in Figure 3.1, was developed to reflect these hypotheses and the study's objectives (Nasırcılar, 2025).

Hypotheses of research are: (Nasırcılar, 2025)

H1: Overconfidence affects investment behavior.

H2: Herding behavior affects investment behavior.

H3: Risk tolerance affects investment behavior.

H4: Self-monitoring affects investment behavior.

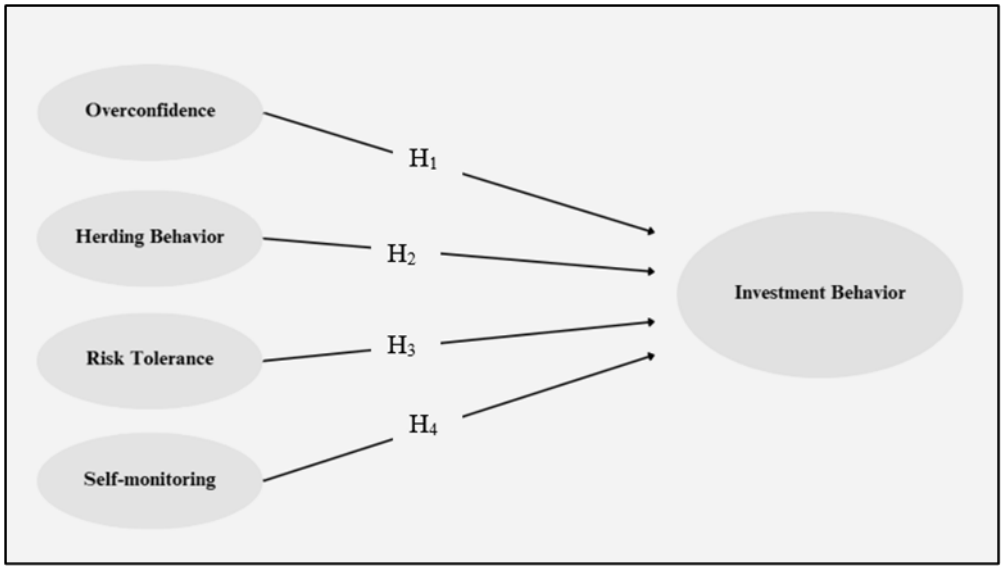

Figure 3.1. The Research model (Nasırcılar, 2025)

3.3. Data Analysis

Originally, 414 responses were collected via Google Forms and SPSS 22 used in analysis. Simple linear regression was utilized to test hypotheses.

4. Findings

4.1. Examination of the Relationship between Investment Behavior and Overconfidence

The independent variables were entered into the regression analysis individually to test whether they are related to investment behavior. The first independent variable introduced into the analysis is overconfidence (OC). According to this, a simple linear regression model was established as follows:

$$\hat{y} = \alpha + \beta(XOC)$$

The analysis indicates a significant positive relationship between these two variables (please see Tables 4.1 and 4.2). In other words, investment behavior is affected by investors' overconfidence. Accordingly, a 1-unit increase (decrease) in investors' overconfidence level will lead to a 0.268 increase (decrease) in investment behavior (see Table 4.2). Therefore, the study's first hypothesis, "H1: Overconfidence affects investment behavior," is accepted (Nasırcılar, 2025).

Table 4.1. Significance of the Overconfidence and Investment Behavior Relationship

Model	***SS***	***df***	***MS***	***F***	***Sig.***
Regression	28.952	1	28.952	66.587	0.000*
Residual	177.400	408	0.435		
Total	206.352	409			

The overall regression model was statistically significant, $F(1, 408) = 66.59$, $p < .001$, indicating that the independent variable significantly predicts the dependent variable.

Table 4.2. Coefficients of the Overconfidence and Investment Behavior Regression Model

Predictor	***B***	***SE***	***β***	***t***	***p***
Constant	2.35	0.11	-	21.938	< .001
Overconfidence	0.27	0.03	0.38	8.160	< .001

Overconfidence has a positive and statistically significant effect on the dependent variable (β = .38, t = 8.16, p < .001). The results indicate that greater overconfidence is associated with higher values of the dependent variable.
According to the results in Table 4.6, the overconfidence and investment behavior regression equation will be formed as;

$$\hat{y} = 2.347 + 0.268(XOC)$$

Table 4.3. Overconfidence and Investment Behavior Model Summary

Model	***R²***	**Adj. R²**	***F***	***p***
1	.14	0.14	66.59	<.001

Predictors: (Constant), Overconfidence (OC), *Significant at p<0.05 (Nasırcılar, 2025)
The regression model was statistically significant, F(1, 408) = 66.59, p < .001, explaining 14% of the variance in the dependent variable (R^2 = .14, adjusted R^2 = .14).

4.2. Examination of the Relationship between Herding and Investment Behavior
The second independent variable submitted to the regression is herding behavior (HB). The simple linear regression equation was formulated to express the relationship between herding and investment behavior as follows:

$$\hat{y} = \alpha + \beta(XHB)$$

The regression results indicate a significant positive relationship between herding behavior and investment behavior, with investment behavior increasing (or decreasing) by 0.348 points for each unit change in herding behavior (see Tables 4.4 and 4.5). Therefore, the second hypothesis, "H2: Overconfidence affects investment behavior," is accepted (Nasırcılar, 2025).
Afterward, the regression equation is reformed using the numbers in Table 4.9. and the new equation becomes as follows;

$$\hat{y} = 2.237 + 0.348(XHB)$$

Table 4.4. Significance of the Herding and Investment Behavior Relationship

Model	***SS***	***df***	***MS***	***F***	***Sig.***
Regression	31.610	1	31.610	73.806	0.000*
Residual	174.742	408	0.428		
Total	206.352	409			

The regression model was statistically significant, F(1, 408) = 73.81, p < .001, indicating that the independent variable significantly predicts the dependent variable.

Table 4.5. Coefficients of the Herding and Investment Behavior Regression Model

Predictor	***B***	***SE***	***β***	***t***	***p***
Constant	2.24	0.11	-	19.58	0.000*
Herding Behavior	0.35	0.04	0.39	8.59	0.000*

Herding behavior has a positive and statistically significant effect on the dependent variable (β = .39, t = 8.59, p < .001). The results indicate that greater herding behavior is associated with higher levels of the dependent variable.

Table 4.6. Herding Behavior and Investment Behavior Model Summary

Model	***R²***	**Adj. R²**	***F***	***p***
1	.153	0.151	73.81	<.001

The regression model was statistically significant, F(1, 408) = 73.81, p < .001, explaining approximately 15% of the variance in the dependent variable (R^2 = .153, adjusted R^2 = .151).

4.3. Examination of the Relationship between Risk Tolerance and Investment Behavior

The third variable analyzed is risk tolerance, which is the first personality trait in the study. The findings of the study indicate a significant positive relationship between risk tolerance and investment behavior, as evidenced by Tables 4.7 and 4.8. Accordingly, the third hypothesis of the study, "H3: Risk tolerance affects investment behavior," is accepted (Nasırcılar, 2025), and the relationship between these two variables is explained by the following regression model:

$$\hat{y} = 2.289 + 0.276(X_{RT})$$

Table 4.7. Significance of the Risk Tolerance and Investment Behavior Relationship

Model	***SS***	***df***	***MS***	***F***	***Sig.***
Regression	33.33	1	33.27	78.43	0.000*
Residual	173.08	408	0.42		
Total	206.35	409			

The regression model was statistically significant, F(1, 408) = 78.43, p < .001, indicating that the independent variable significantly predicts the dependent variable.

Table 4.8. Coefficients of the Risk Tolerance and Investment Behavior Regression Model

Predictor	***B***	***SE***	***β***	***t***	***p***
Constant	2.29	0.11	-	21.72	0.000*
Risk Tolerence	0.28	0.03	0.40	8.86	0.000*

Risk tolerance has a positive and statistically significant effect on the dependent variable (β = .40, t = 8.86, p < .001), indicating that higher risk tolerance is associated with higher levels of the dependent variable.

Table 4.9. Risk Tolerance and Investment Behavior Model Summary

Model	***R²***	**Adj. R²**	***F***	***p***

1	.40	0.16	78.434	<.001

The regression model was statistically significant, F(k, n−k−1) = 78.43, p < .001. Although the model explains 40% of the variance (R^2 = .40), the adjusted R^2 drops substantially to .16, indicating that several predictors may not contribute meaningfully to the model.

4.4. Examination of the Relationship between Self-monitoring and Investment Behavior

The fourth variable to be considered in this analysis is that of self-monitoring. The analysis found a positive and significant relationship between self-monitoring and investment behavior. Furthermore, a 1-unit increase (decrease) in self-monitoring was found to be associated with a 0.320 increase (decrease) in investment behavior (see Tables 4.10 and 4.11) (Nasırcılar, 2025). Furthermore, the study's findings demonstrated that investment behavior would occur to a certain extent (2.231) even in the absence of the self-monitoring trait in investors' personalities. Subsequent to the findings, the regression equation expressing the relationship between self-monitoring and investment behavior is as follows:

$$\hat{y} = 2.231 + 0.320(XSM)$$

Thus, the fourth hypothesis of the study, "H4: Self-monitoring affects investment behavior," is also accepted.

Table 4.10. Significance of the Self-monitoring and Investment Behavior Relationship

Model	***SS***	***df***	***MS***	***F***	***Sig.***
Regression	26.46	1	26.46	60.00	0.000*
Residual	179.90	408	0.44		
Total	206.35	409			

The regression model was statistically significant, F(1, 408) = 60.00, p < .001, indicating that risk tolerance significantly predicts the dependent variable.

Table 4.11. Coefficients of the Self-monitoring and Investment Behavior Regression Model

Predictor	**B**	**SE**	**β**	**t**	**p**
Constant	2.23	0.13		17.63	0.000*
Self-monitoring	0.32	0.04	0.36	7.75	0.000*

Self-monitoring has a positive and statistically significant effect on the dependent variable (β = .36, t = 7.75, p < .001).

Table 4.12. Self-monitoring and Investment Behavior Model Summary

Model	***R^2***	**Adj. R^2**	***F***	***p***
1	.36	0.13	60.003	<.001

The regression model was statistically significant, F(k, n−k−1) = 60.00, p < .001. Although the model appears to explain 36% of the variance (R^2 = .36), the adjusted R^2 drops substantially to .13, indicating that a considerable portion of the included predictors may not contribute meaningfully to the model.

5. Conclusion

Irrational behavior is not confined to financial contexts; it surfaces across a wide range of everyday decisions, particularly when uncertainty and risk are present. In investment decisions, this behavior is compounded by psychological biases, personality traits, and demographic attributes that influence how individuals approach them. Cultural factors add another layer of complexity, shaping how these variables interact. This study examined how psychological biases and personality traits relate to the investment behavior of individual investors on the BIST, with a focus on accounting-based financial information. The evidence confirms that overconfidence, herding behavior, risk tolerance, and self-monitoring each have a significant positive influence on investment behavior in BIST. The results show that overconfidence, herding behavior, risk tolerance, and self-monitoring all significantly impact investment behavior (Nasırcılar, 2025). When the study's findings are examined alongside the wider literature, they are evident to support it. Ahmad and Wu (2024) examined the effects of overconfidence and herd behavior on investment performance from a qualitative perspective, finding that these factors influence Pakistani investors' investment decisions. Investors are accordingly influenced by these heuristic-driven biases, leading them to trade excessively. Consequently, investment performance is significantly impacted by overconfidence and herding behavior. A 2021 study conducted in Indonesia found that overconfidence and herding impact individuals' investment behavior (Kartini & Nahda, 2021). Quang et al. (2023) reported that overconfidence and herding have a significant positive impact on investment decisions in Vietnam. Another study using partial regression analysis of investors on the ESE found that herding and overconfidence significantly affect investment behavior (Metawa et al., 2019). In a study conducted in India using SEM, herding and overconfidence were found to have a significant positive effect on investment behavior (Raut et al., 2020). As can be seen, the relationship among overconfidence, herding variables, and investment behavior has been a frequent subject of study in the literature. Despite being conducted in different countries and using different methods, the findings are consistent. In addition to the above studies, numerous others indicate that herding and/or overconfidence influence investment behavior (e.g., Abul, 2019; Adiputra & Rahardjo, 2021; Rasheed et al., 2020; Wang & Nuangjamnong, 2022). The findings of this study, which was conducted among individual BIST investors in Turkey, are consistent with the existing literature.

When the study's findings on personality trait variables are evaluated in the literature, they support the current literature (Nasırcılar, 2025). The study's findings indicate that risk tolerance and self-monitoring exert a significant positive influence on investment behavior (Nasırcılar, 2025). In the extant literature, Kumar et al. (2023) examined the relationship between risk tolerance and economic behavior in India and found a significant positive association. As posited by Kumar et al. (2023), the effect of risk tolerance on investment behavior is more significant than that of the other independent variables in the study. Adielyani and Mawardi (2020) conducted a study that examined the effect of risk tolerance on investment behavior from a generational perspective. Their findings indicated a significant positive relationship. Bustani's (2024) examination of the relationship between self-monitoring and investment decisions revealed a significant positive association. In addition, Rahman and Gan (2020) examined the relationships among overconfidence, herding, and self-monitoring variables and investment behavior among Malaysian millennials and argued that herding has no significant impact on Malaysian investors' investment behavior. Furthermore, the authors posit that overconfidence and self-monitoring influence investment behavior, with overconfidence exerting a detrimental effect and self-monitoring a beneficial one (Rahman & Gan, 2020). While Rahman and Gan's focus was exclusively on Generation Y, the study's use of a multi-generational sample may have led to variations in the findings. Nevertheless, a degree of consistency is observed between the findings on self-monitoring. Given the paucity of research on the self-monitoring variable in the investment behavior literature, it is imperative that the findings of this study are consistent with those of Adiputra and Rahardjo (2021), Bustani (2024), and Rahman and Gan (2020).

Finally, regarding the relationship between overconfidence and investment volume, the author found no studies examining it. The extant literature has focused heavily on the relationship between trade volume and overconfidence (e.g., Alsiban & Alarfj, 2020; Metwally & Darwish, 2015; Statman et al., 2006; Chuang & Lee, 2006; Prosad et al., 2017). In other words, the focus of this study is to examine the extent of trade activity exhibited by investors characterized by over- or underconfidence. To the best of the author's knowledge, the investment amount of these individuals has not been a primary focus in extant literature. While it is acknowledged that aggressive trading can increase investment volumes within an investor's portfolio, excessive trading does not necessarily equate to substantial investment amounts. This is further supported by the extant literature, which indicates that overconfidence can lead to suboptimal return performance (Hsu and Shiu, 2010; Zhang et al., 2019). However, Pikulina et al. (2017) conducted a study focusing on overconfidence, skills, and investment levels. In the study, a

range of financial projects with varying investment levels was assigned to both students and professionals, each requiring a distinct set of skills. The study revealed that while both groups (students and professionals) exhibited signs of overconfidence, students showed higher levels of it. This resulted in a greater propensity for overinvestment among students (Pikulina et al., 2017). In other words, individuals who exhibit elevated levels of overconfidence allocate greater financial resources. The findings of this study demonstrate a correlation between investment volume and overconfidence, consistent with the present study's results.

To the best of our knowledge, the relationship among overconfidence, herding behavior, risk tolerance, and self-monitoring in the context of investment behavior has not been studied in Turkey. In particular, the number of studies that include the self-monitoring variable within the framework of investment behavior is very small in the foreign literature and is not available in the Turkish context. The aforementioned factors collectively constitute the study's originality. The study's findings, when considered in light of these factors, contribute a novel dimension to the existing body of research, address knowledge gaps, and enhance the existing literature. Furthermore, the use of variables such as overconfidence, herding behavior, and risk tolerance, which have been extensively employed in the extant literature, has facilitated a more nuanced understanding of investor behavior in the Turkish context. This, in turn, has contributed to the expansion of both domestic and foreign literature in this field. Beyond academia, the study's findings are likely to be of significant value to individual investors, financial institutions, and organizations that work with them. These entities will find insights into the impact of psychological biases and personality traits on investment behavior highly beneficial. In light of the study's findings, it is recommended that both institutions and investors consider implementing measures to address these misconceptions. Consequently, individuals may be better equipped to make more informed investment decisions, while institutions may be able to provide investors with more suitable investment recommendations.

The present study found that trading activities on the stock market, whether for investment or commercial purposes, are influenced by individuals' psychological and personality traits. In other words, it is important to note that factors beyond companies' financial statements may also be considered when making investment decisions. Furthermore, by interpreting the behavioral outcomes of the aforementioned study in conjunction with culturally influenced accounting knowledge, we can draw on Hofstede's (1980) work. Hofstede's theory posits that social systems can exist because human behavior is predictable rather than random, and in every behavioral prediction, we attempt to take the individual and the situation into account. It is hypothesized that individuals possess a distinct cognitive linguistic framework that remains relatively stable over time, guiding their behavior in similar circumstances. As Hofstede (1980) demonstrated, values influence mental programming, which in turn is shaped by culture and behavior. Gray (1988) made an important contribution by adding new values to Hofstede's views on accounting practices influenced by culture, such as professionalism vs. statutory control, uniformity vs. flexibility, conservatism vs. optimism, and secrecy vs. transparency (Gray, 1988). The study's findings indicate that Turkish investors prioritize qualities such as professionalism, uniformity, and conservatism. It is recommended that future research focus on measuring the impact of culture on behavioral investment.

The study is subject to several limitations, including the sampling method, contextual constraints, and oversight of environmental aspects (Nasırcılar, 2025). The present study employs the snowball sampling method, a technique that carries with it the risk of sampling distortion. Whilst non-probability sampling methods, such as snowball and convenience sampling, are frequently used in analogous studies, they are more prone to producing biased samples than probability sampling techniques. Future research could replicate this study using probability sampling techniques to reduce potential sampling bias (Nasırcılar, 2025). Another solution to this issue is to use respondent-driven sampling, as was first introduced by Heckathorn (1997). A further limitation of the study is the contextual constraints. The study was conducted within the Turkish context, and the sample comprised 410 individual investors. Consequently, the findings may not accurately reflect the behavior of individual stock exchange investors, thereby compromising their generalisability. Moreover, the study's variables did not encompass environmental factors such as the Turkish economy, politics, legal systems, and sociocultural structure. Nevertheless, these factors may prove to be of significant importance in the relationship between the dependent and independent variables in this study. Consequently, subsequent research should take these factors into account and examine their relationships with the variables in this study. In particular, investigating the mediating and moderating effects of environmental factors could provide a more detailed understanding of the decision-making process. Furthermore, the self-monitoring variable has received limited attention in the field of behavioral finance literature. To address this

research gap and expand the existing literature, future studies could examine the relationship between self-monitoring and various variables, including demographic factors, using empirical methods. Concurrently, to the best of the author's knowledge, studies that profile investors based on their psychological biases and personality traits are very rare, particularly in the Turkish context (Nasırcılar, 2025). In light of this research gap, studies incorporating psychological biases and personality traits would make a significant contribution to the extant literature. Finally, cross-cultural studies in this context are scarce, and longitudinal research is lacking in the existing literature. The extant literature focuses exclusively on explaining investment behavior within a single context at a given point in time, making comparative studies extremely rare. Conducting a cross-cultural study based on Gray's cultural accounting norms or a longitudinal study would substantially enrich the literature, particularly for comparing behavioral and decision-making patterns in finance across cultures or for understanding changes in people's financial behavior over time.

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