Frontiers in Economics and Management Volume 2 Issue 1, 2021
ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

Management Self-Efficacy, Internal and External Emotions of the Organization and Financial Flexibility

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Abstract

Based on the social cognitive theory, a moderated intermediary model is constructed to verify the mechanism of internal and external emotional factors in managers' self-efficacy and financial flexibility. Based on the data of A-share non-financial listed companies in China from 2013 to 2019, it is found that: Managers' self-efficacy and financial flexibility are significantly negatively correlated, and managers' work attitude plays an intermediary role between managers' self-efficacy and financial flexibility, while the strength of the intermediary role is affected by institutional investor sentiment and individual investor sentiment, and the influence degree of institutional investor sentiment is more obvious. Further research on the samples divided into state-owned enterprises and non-state-owned enterprises shows that the work attitude of managers in state-owned enterprises is more significantly affected by their sense of self-efficacy, and the intermediary role of work attitude is stronger. In state-owned enterprises, the influence of institutional investor sentiment on intermediary path is more obvious.

Keywords

Self-Efficacy; Work Attitude; Investor Sentiment; Financial Flexibility.

1. Introduction

According to the theory of high-level echelon, the psychological and personality traits of executives have a great impact on the decision-making and operation of enterprises, and are the important factors influencing the market behaviour and strategic choice of enterprises [1]. As a comprehensive embodiment of various management behaviours, corporate financial status is naturally affected by individual factors of senior executives. Scholars have also carried out research on the impact of executives' individual characteristics on corporate financial behaviour. Most of the existing literature studies the impact of managers' confidence on corporate finance. Elena et al. found that overconfidence of managers will lead to over investment behaviour [2], but managers with good professional knowledge background will make their investment decisions more accurate. Gervais and Campbell indicate that overconfidence weakens the conservative tendency of risk averse managers, and overconfident executives are more willing to improve the capital structure and financial condition of the company and enhance the value of the enterprise [3]. As an important strategic resource, financial flexibility is closely related to various financial activities of enterprises [4]. Chinese scholars have also verified the micro effect of managerial self-confidence on financial flexibility [5][6]. These studies are generally based on the potential assumption that the behaviour and psychological state are completely consistent, only from the psychological elements such as self-confidence level to study its impact on corporate finance, but the behaviour and thought are not completely consistent [7], whether the inner state of managers is completely expressed or how much the external behaviour reflects is a problem worth considering. And the specific influence path of managers' psychological characteristics on financial flexibility has not been fully explored.

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

According to the theory of social cognition, as one of the dimensions of psychological capital, self-efficacy is a comprehensive evaluation of individual's ability to complete tasks and confidence. It contains rational and irrational components, and is an internal factor affecting the behaviour of senior executives [8]. The exertion of self-efficacy is regulated by situational factors, and then affects the individual's choice of behaviour and adherence to the behaviour. It can be seen that self-efficacy not only reflects the degree of individual confidence in themselves and the environment, but also focuses on how much their inner state is reflected through their behaviours [7]. Therefore, this paper will study the impact of managers' self-efficacy on financial flexibility, and improve the research on the impact of executive characteristics on corporate finance.

As an important embodiment of managers' work performance, the financial status of enterprises will inevitably be affected by their work attitude [1]. It should also be noted that work attitude, which belongs to the internal emotions of the organization, is a factor influencing work behaviour [9] [10], Many scholars regard it as a mediator variable to study its role between individual characteristics and job performance [11], so whether work attitude can play a conductive role between managers' self-efficacy and financial flexibility; at the same time, the development of corporate governance has increasingly restricted the management, urging managers to fulfil the obligation of loyalty and diligence. As an important external stakeholder, external investors also have an impact on managers' work attitude and behaviour [12,13], which leads to the problem of whether there is a difference in the impact of institutional and individual investors on the mediating process of work attitude. The above problems are not fully explained in the literature. Moreover, previous literatures mostly consider the impact of investor sentiment or manager's characteristics on corporate finance, without considering the joint effect of both on corporate finance, and the financial situation is often the result of the interaction of multiple factors. Therefore, this paper will examine the mediating role of work attitude between self-efficacy and financial flexibility, further explore the interaction between different investor sentiment and work attitude in this mechanism, and enrich the research on the micro path between manager characteristics and financial flexibility.

The difference of individual characteristics of managers will make them make different decisions, and then affect the level of financial flexibility. As the ability of enterprises to obtain funds at a lower cost in the face of adverse environment and good investment opportunities [5], the importance of financial flexibility is self-evident under the background of uncertain economic environment at home and abroad. Combined with the above, this paper selects the data of A-share listed companies from 2013 to 2019 to construct a moderated mediating effect model to study the relationship among self-efficacy, management attitude and financial flexibility, and introduce the influence of investor sentiment.

The possible contributions of this paper are as follows: (1) to test the impact of Managerial Self-Efficacy on financial flexibility, introduce work attitude into the research of Managerial Self-Efficacy and financial flexibility, and clarify the transmission path between the three. This paper enriches the research on financial flexibility of executives' personal characteristics. Compared with previous studies, it focuses more on the behaviour performance of inner state, and tries to establish the internal transmission mechanism between the two. (2) This paper discusses whether individual and institutional investor sentiment can be used as the boundary condition of the above mechanism, and considers the difference in the influence degree of different emotional subjects. This paper constructs a comprehensive analysis framework, which helps to open the "black box" of the impact of executive characteristics on financial flexibility.

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

2. Theoretical Hypothesis

2.1. Self-Efficacy and Financial Flexibility of Managers

Traditional economics often assumes that people are completely rational, and each individual can fully understand the information contained in things and make rational decisions. However, the existing research shows that irrational factors have a certain impact on people's decision-making behaviour, and subjective factors such as individual characteristics will make it biased. Existing studies have found that it is common for managers to overestimate their own capabilities. They tend to overestimate investment returns, prevent operational risks insufficiently, and over perception of their own capabilities is likely to lead to more radical financial policies [14]. Inspired by this, scholars began to pay attention to the relationship between managers' confidence level and corporate financial policies such as financing and investment choices. Malmendier research shows that internal financing such as cash is the financial policy that managers with higher self-confidence tend to adopt, and such managers are more cautious about issuing bonds and stocks. When managers are more confident in their own management knowledge and ability, they will adhere to the rationality of the investment projects they have chosen and believe that they will bring rich returns, and tend to over invest [10,15]. The sustainable investment needs more funds to meet. The confident managers will choose debt financing and other channels rather than equity financing. Optimistic managers are used to choosing short-term debt or long-term debt. Therefore, enterprises with higher level of managers' inner confidence have higher debt level. At the same time, managers who are more confident in the environment and themselves may be too blind in the choice of investment projects, resulting in low investment efficiency. The increasing investment cash outflow does not bring more cash inflow [16], and the cash level of the enterprise is in the state of net outflow. In addition, the self-confident managers' preference for long-term investment projects reduces the speed of capital recovery [17]. In this way, the enterprise's ability to cope with uncertainty and environmental changes will decline. Once the enterprise needs funds to solve the problem, the cash flow that is difficult to return and excessive external liabilities will greatly affect its ability to allocate funds, so the possibility of low cash level is greater.

It is generally believed that financial flexibility can be reflected by debt level, cash level and equity structure, which can be divided into debt flexibility, cash flexibility and equity flexibility [18]. Due to the restrictions of China's market regulation on equity financing, enterprises are more cautious and conservative in the actual operation of equity operation, and managers have little influence on equity flexibility, so this paper does not include it into the scope of research. At the same time, most scholars believe that low debt ratio and high cash holdings generally indicate that enterprises have good financial flexible reserves [19]. According to the previous analysis, a higher level of managers' confidence will increase corporate debt and reduce cash flow, so financial flexibility will naturally be reduced, and the research of Chinese scholars has also proved this point [6]. The self-confidence level of managers beyond the actual situation is rooted in the insufficient understanding of their own conditions and environment and the differences in psychological expectations, which makes the managers' judgment on the current situation of operation lose their standard. Self-efficacy is the core concept in Bandura's social cognitive theory. It is the judgment and expectation of an individual on whether he or she has the ability to complete a certain behaviour. It not only emphasizes the individual's self-confidence in self-ability, but also pays more attention to the individual's inner perception of self-efficacy through his own behaviour [6]. Previous studies on managers' confidence level and financial flexibility assume that their heart and behaviour are completely consistent, and that managers' behaviours fully reflect their inner state; and self-efficacy emphasizes the actual behaviour performance more than the traditional sense of self-confidence, and pays attention to the incomplete display of behaviour on psychology. Make the following assumptions:

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H1: Managers have a higher sense of self-efficacy, which makes enterprises have lower financial flexibility.

2.2. Self-Efficacy and Work Attitude

Robbins believes that work attitude is employee's evaluation and behaviour tendency towards work and work environment. Jeffrey et al. found that the measurement of work attitude can be effectively divided into three dimensions: work engagement, organizational commitment and job satisfaction [20]. Social cognitive theory holds that individuals with high self-efficacy have higher requirements for themselves and will make more efforts in career development. The higher the self-efficacy of an individual is, the more he / she puts in his / her work [11]. Scholar Li takes high-tech enterprises as research samples, and also finds that self-efficacy can enhance work engagement and affect job performance [6]. A large number of studies have found that self-efficacy is negatively correlated with turnover intention, and positively correlated with job satisfaction and organizational commitment [21]. For example, scholars have found that individuals prefer to choose certain jobs, avoid difficult jobs and hate setbacks, while individuals with high self-efficacy have higher efforts in life, and should not give up when encountering setbacks [22]. They can quickly come out of the shadow of failure, and are easier to achieve their own goals, so they have higher job satisfaction. Employees with high self-efficacy at work will respond to challenges in a more confident state [23]. They bring more results to the organization and thus get more returns, which further improves job satisfaction and organizational commitment [24]. These studies show that self-efficacy can improve work engagement, organizational commitment and satisfaction. On this basis, this paper verifies the relationship between self-efficacy and work attitude from financial data. The following assumptions are put forward:

H2: Managers with high self-efficacy generally have better work attitude.

2.3. The Mediating Role of Work Attitude

To some extent, the choice of organizational strategy and the level of performance depend on the management background and personality characteristics of executives. The empirical research of scholars also confirmed that self-efficacy as a personality trait not only affects their work attitude, but also promotes their work performance [11,13], which is also true among managers [25]. Li Sen constructed a relationship model between top managers' work attitude and job performance, and the empirical test found that there was a significant positive correlation between the two, and the impact of job satisfaction, work engagement and organizational commitment on job performance decreased in turn [9]. Whether work attitude can be used as a mediating variable between manager traits and job performance has naturally attracted the attention of scholars. Li et al. [6] research shows that the sub dimension of work attitude, work engagement can be used as an intermediary variable to influence the relationship between self-efficacy and job performance. Lourens also introduced work engagement as a mediating variable into the study of employee owned resources and work outcomes [16]. The higher the self-efficacy, the higher the self-efficacy, the more likely it is to have a positive attitude towards work. The evaluation of top managers' work performance cannot be separated from the measurement of financial perspective. The evaluation of top managers' work from the improvement of enterprise capital structure, stable cash flow and other aspects by external organizations [26]. In other words, work attitude as a mediator between self-efficacy and financial flexibility has theoretical feasibility.

The mediating effect of work attitude can also be considered as follows. The previous paper has shown the impact of managers' self-efficacy on their work attitude, so whether work attitude can affect financial flexibility. At present, there are few studies that directly link the work attitude of executives with the financial situation of enterprises, but most scholars have affirmed that work attitude can affect work behaviour [23,24]. Under the background of

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

principal-agent, executives have the obligation of loyalty and diligence to shareholders, and it is their responsibility to achieve business objectives with a positive attitude. If the executive's work attitude has problems, it will affect their work motivation and behaviour, resulting in a series of corporate governance problems, such as management defence [27]. Berger et al. the research shows that the capital structure of an enterprise is affected by the enthusiasm of managers' work attitude [28]. Managers with defensive management tendency avoid debt financing with high risk, and debt can inhibit their negative work behaviour. Ye et al. found that the agency problem of management defence is more common in Chinese listed companies, and the more serious the opportunism tendency of management, the lower the value of cash holdings of enterprises [29]. Some scholars also found that the negative working attitude of managers will affect the cash holding and dividend payment of enterprises [30,31]. From the existing research, it can be seen that managers with negative working attitude generally adjust the proportion of cash holding and debt assets through accounting means such as financing methods and earnings management, which may affect financial flexibility. To sum up, this paper believes that the self-efficacy of managers will affect the financial flexibility through working attitude. Therefore, the following assumptions are put forward:

H3: Managers' work attitude mediates the relationship between managers' self-efficacy and financial flexibility.

2.4. The Mediating Effect of Investor Sentiment On Managers' Work Attitude

Combined with the above, the self-efficacy of managers can improve the working attitude of managers, and then affect the financial flexibility of enterprises. On this basis, this paper introduces investor sentiment and expects to construct a moderated intermediary model to study whether there are boundary conditions in the conduction process. Investor sentiment can be divided into individual sentiment and institutional sentiment. Previous studies on investor sentiment mostly focus on the impact on corporate governance and capital market from an overall perspective or a single emotion effect [31]. This paper considers institutional and individual factors respectively and quantifies different investor sentiment from individual stock level. It has been found that the rising investor sentiment will cause systematic differential pricing, which will make the stock price deviate from the benchmark and fluctuate up and down, and the relative financing cost of enterprises will also change accordingly [32]. Enterprises in different development stages will use investor sentiment to finance to ease the financing constraints. When the investor sentiment is high, enterprises will choose equity and creditor's rights for financing. According to the "catering theory", investor sentiment will also affect the investment behaviour of enterprises [34], and the rising investor sentiment will positively affect the investment scale of enterprises, thus aggravating excessive investment, which is more significant in private enterprises [11,35]. We can also consider the role of emotion from the perspective of corporate governance. Jin finds that under the influence of irrational investor sentiment, debt financing is negatively related to underinvestment, and investor sentiment reduces the tendency of managers to over invest [36]. Therefore, investor sentiment can change the financing choice and investment decision of managers by influencing the external environment, which is reflected in the changes of debt and cash in financial statements.

Existing studies also focus on whether there are differences in the impact of different investor sentiment on enterprises. Liu found that institutional investor sentiment has financial predictive value and can affect future stock changes; individual investor sentiment has no influence [37]. It can be inferred that there are differences between individual investor sentiment and institutional investor sentiment on corporate financial behaviour, and previous studies have shown that there are significant differences in preference reversal, disposal effect and loss aversion between institutional investors and individual investors [38].

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

To sum up, as a change of external environment, investor sentiment affects managers' judgment and makes behaviour changes; and as an important member of external governance mechanism, the supervision of investors on managers will also restrict their subjective attitude, thus affecting their financial decisions. At the same time, the two emotions may have different effects. Therefore, this paper argues that in the process of managers' self-efficacy influencing corporate financial flexibility through work attitude, two kinds of investor sentiment regulate the relationship between managers' work attitude and financial flexibility, and then affect the mediating effect. In order to verify the moderated mediation model, the following assumptions are proposed:

H4: institutional investor sentiment and individual investor sentiment moderated the mediating role of managers' work attitude between self-efficacy and financial flexibility

3. Variables and Data

According to the availability and integrity of the data, this paper selects the non-financial companies listed in China's A-shares as the research object to make the research more representative. In order to enhance the processability of the data, the companies with ST and ST * are excluded, and the samples with serious missing or abnormal data are deleted. A total of 6643 unbalanced panel observations are obtained from 2013 to 2019. In order to reduce the influence of outliers on the results, continuous variables were tailed up and down by 1%, and the main data were from CSMAR database and CCER database.

3.1. Definition of Variables

Dependent variable. Financial flexibility (FF). Due to the strict restrictions on equity refinancing in China's enterprises, it is difficult for managers to operate equity flexibility. Therefore, the sum of cash flexibility and debt flexibility is used to measure financial flexibility with reference to Zeng [15].

Independent variable. Manager self-efficacy (MSF). Bandura's definition of self-efficacy not only emphasizes the degree of individual's self-confidence in his own ability, but also focuses on whether the individual can show internal self-confidence through behaviour [9]. The capital expenditure status of an enterprise not only reflects the managers' judgment on the future business environment and development trend, but also reflects the managers' self-confidence level in their own ability, and also reflects the external enterprise behaviour of managers' internal conditions. Combined with the research objectives and experimental environment of this paper, based on the measurement of managers' self-confidence level, and drawing on Hu's research, this paper measures managers' self-efficacy from the perspective of capital expenditure [39].

Mediator Variable. The measurement of manager's work attitude (MWT) refers to the research of Lu et al. And mauno [40], including three dimensions of job satisfaction, organizational commitment and work engagement. In this paper, from the perspective of financial data, job satisfaction is expressed by the ratio of the sum of top three executives' salaries and the industry median. Organizational commitment is expressed as the ratio of top three executives' shares to the industry median. Work engagement is expressed by the combination of two positions of senior managers. If it exists, it is 1, otherwise it is 0. Finally, the work attitude variables of managers are obtained by adding these three items. The larger the value, the better the working attitude.

Moderator variables. Institutional investor sentiment (INV) and individual investor sentiment (DPS). At present, the overall market level of investor sentiment measurement is mainly based on the principal component analysis method. Single index is used to measure the sentiment of individual stocks and different types of investors. Referring to the relevant research of Zhang

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

and Lu [26], this paper uses the change rate of dividend per share and the change rate of institutional investors' shareholding to measure the change of sentiment.

Control variables. This paper selects the company size (SIZE), return on net assets (ROE), asset liability ratio (LEV), equity concentration, enterprise growth (GRO), proportion of independent directors (DIR) and industry and year dummy variables. Details are given in Table 1.

Table 1: Variable Definition

Variable	Definition
MSF	Capital expenditure / industry median of the year
FF	(enterprise cash holding ratio - industry average) + max (industry average debt level - enterprise debt ratio, 0)
MWA	See the variables section
DPS	(dividend per share in the current period (before tax) - dividend per share in the same period of last year (before tax)) / dividend per share in the same period of last year (before tax)
INV	(institutional shareholding ratio at the end of the current period - institutional shareholding ratio at the end of the previous period) / institutional shareholding ratio in the previous period
SIZE	The natural logarithm of the company's total assets
ROE	Net profit / average balance of shareholders' equity
LEV	Asset liability ratio
TOP	Shareholding ratio of the largest shareholder
GRO	revenue growth rate
DIR	Number of independent directors / total number of directors
Industry	Classified by CSRC
Year	The year t is 1, otherwise it is 0

Table 2: Data Statistics

Variable	Mean	Median	Max	Min	Std
FF	0.074	0.027	0.893	-0.141	0.161
MSF	0.201	0.108	15.888	-0.502	0.543
MWA	3.294	2.389	39.558	1.078	2.959
DPS	0.013	0.010	4.210	-1.900	0.306
INV	-0.178	-0.242	28.770	-23.110	3.756
SIZE	22.548	22.418	27.386	19.199	1.157
ROE	0.072	0.075	0.666	-11.487	0.313
LEV	0.401	0.401	0.976	0.029	0.177
TOP	33.564	31.493	89.093	4.146	13.796
GRO	0.310	0.150	37.599	-2.082	1.073
DIR	0.375	0.333	0.800	0.333	0.057

4. Empirical Results And Analysis

According to the descriptive statistical results, as shown in Table 2, the median of financial flexibility is 0.027, with an average of 0.074. Financial flexibility exists in most enterprises, but the overall level is not high; the maximum value is 0.893, the minimum value is -0.141, and the standard deviation is 0.161, which indicates that the level of financial flexibility of enterprises is relatively uniform and there are few extreme cases. From the mean and median of managers' self-efficacy, we can see that the overall level is stable, and its maximum value is 15.888, the minimum value is -0.502, and the standard deviation is 0.543, which indicates that although the extreme value is different greatly, the overall difference level is general. From the maximum value, minimum value and standard deviation of managers' work attitude, it can be seen that there are obvious differences between managers' work attitude in different enterprises, with

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

the median of 2.389 and the average value of 3.294, indicating that half of the enterprises' managers' work attitude is general.

4.1. Regression

In this paper, hierarchical regression method is used to test, and the regression results are shown in Table 3. The dependent variable of model 1 is financial flexibility, and the regression coefficient of Managerial Self-Efficacy (MSF) is - 0.031, which is significant at the level of 1%. This shows that managers with high self-efficacy will reduce the financial flexibility of enterprises. Hypothesis H1 is verified, which lays the foundation for the following in-depth study. Model 2 studies the effect of self-efficacy on managers' work attitude. The regression coefficient of Managerial Self-Efficacy (MSF) was significantly positive (β =0.355, P <0.01), indicating that high self-efficacy can play a positive role in work attitude. This result supports the previous psychological and management research conclusions, and illustrates the rationality of the research model in this paper, and H2 is verified.

Table 3: Regression

Variable	Model 1 FF	Model 2 MWA	Model 3 FF	Model 4 FF	Model 5 FF
MSF	-0.031***	0.355***	-0.022**	-0.052***	-0.025***
	(-5.13)	(9.48)	(-2.11)	(-3.33)	(-2.95)
MWA			-0.026***		-0.023***
			(-5.02)		(-3.05)
DPS				0.014***	0.015*
				(4.58)	(1.78)
INV				0.006*	0.020**
				(1.77)	(1.99)
DPS*MSF				-0.039	
				(-0.58)	
INV*MSF				0.012	
				(1.29)	
DPS*MWA					-0.008*
					(-1.81)
INV*MWA					0.025**
					(2.21)
SIZE	-0.017*	0.618***	0.045*	0.018**	0.110**
	(-1.41)	(10.83)	(1.72)	(2.12)	(1.98)
ROE	0.310***	0.290**	-0.019***	-0.021***	-0.022***
	(6.94)	(2.33)	(-3.05)	(-3.34)	(-3.44)
LEV	-1.335***	-0.144	-0.607***	-0.597	-0.598***
	(-3.53)	(-0.652)	(-11.88)	(-10.01)	(-10.15)
TOP	0.110**	-0.036*	0.030*	0.003	0.020
	(2.25)	(-1.92)	(1.74)	(1.35)	(1.38)
DROWTH	0.018**	-0.015	0.008	0.015	0.012*
	(2.15)	(-1.44)	(0.84)	(0.78)	(1.91)
DIR	-0.019*	2.085**	-0.024*	-0.033*	-0.037
	(-1.71)	(2.24)	(-1.86)	(-1.76)	(-1.07)
INDUSTRY			control		
YEAR			control		
R2	0.451	0.433	0.575	0.539	0.580

Note: * P<0.1, ** P<0.05, *** P<0.01, t value in brackets

Model 3 explores the relationship among managers' self-efficacy, work attitude and financial flexibility, and tests the mediating effect with financial flexibility as the dependent variable. The test rule is a three-step mediation effect test method commonly used in the field of social sciences [42]. In model 2, the coefficient of perceived self-efficacy was significantly higher than that in model 2. In model 3, the regression coefficient of work attitude (MWA) was significant (β = - 0.026, P < 0.01), while the regression coefficient of self-efficacy (MSF) was still significant, but the significant level was decreased compared with model 1. Therefore, it can be seen that

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

the work attitude of managers partially mediates the relationship between self-efficacy and financial flexibility. H3 is verified.

Next, according to the viewpoints of Wen [42] and Hayes [43], the moderated mediating effect is tested by three-step sequential test. The regression results are shown in Table 3.

In the first step, in the regression of dependent variable to independent variable, regulatory variable, and interaction term between independent variable and regulatory variable, the coefficient of interaction term is not significant, which indicates that regulatory variable does not affect the relationship between independent variable and dependent variable, and further shows that the model design is reasonable. The second step is to test the regression of the intermediary variable to the independent variable, and the regression coefficient needs to be significant; the third step, in the regression of the dependent variable to the independent variable, the intermediary variable, the moderator and the interaction between the intermediate variable and the moderator, the coefficient of the intermediate variable is significant and the coefficient of the interaction term is significant. Firstly, in order to make the equation coefficients more explanatory, the independent variables, moderating variables and intermediate variables in the model involving the moderation effect are centralized, and the interaction term is generated by the product of the centralized variables [43]. The first step test is model 4. The regression coefficients of the interactive items of institutional investor sentiment × manager self-efficacy (INV * MSF) and individual investor sentiment × manager self-efficacy (DPS * MSF) are not significant, indicating that the moderating variables do not affect the direct effect, and the conceptual model is reasonable. The second step was model 2. The regression coefficient of manager self-efficacy (MSF) was significantly positive correlated (β =0.355, P <0.01). The third step is model 5. The coefficient of the mediating variable manager's work attitude (MWA) is significant (β =-0.023, P <0.01), the regression coefficient of personal investor sentiment × manager's work attitude (DPS * MWA) is significantly negative (β = -0.008, P <0.1), and the regression coefficient of interactive item institutional investor sentiment × manager's work attitude (INV * MWA) is positively correlated (β =0.025, P <0.05). Based on the above criteria, the indirect effect of intermediary path in the research model is affected by the sentiment of institutional investors and individual investors. H4 was established.

4.2. Regression Test Of Investor Sentiment

In order to test the moderating effect of the two kinds of investor sentiment in the model, this paper will use the method of sub sample test. Firstly, we get the mean value of two kinds of investor sentiment according to the total sample, and divide the sample into high and low groups according to the average value. Because the two kinds of investor sentiment regulate the relationship between managers' work attitude and financial flexibility, we use model 3 to analyse. Table 4 shows the regression of the model under different investor sentiment.

Table 4: Sample Regression Of Investor Sentiment

Variable	FF High-Inv	FF Low-Inv	FF High-Dps	FF Low-Dps
MSF	-0.023***	-0.021***	-0.025**	-0.020***
	(-3.16)	(-2.94)	(-2.50)	(-3.47)
MWA	-0.022**	-0.028***	-0.018***	-0.030***
	(-2.37)	(-5.08)	(-4.33)	(-2.96)
CONTROLS				
INDUSTRY	control		control	
YEAR				
R2	0.561	0.547	0.519	0.564

Note: * P<0.1, ** P<0.05, *** P<0.01, t value in brackets

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

Due to the length of the table, the control variable parameters are not shown in the table. Comparing the two situations, it can be found that: compared with the enterprises with low sentiment of institutional investors, the influence of management's work attitude (MWA) on financial flexibility will be weakened, and the regression coefficient of managers' working attitude will be decreased significantly; similarly, the influence of managers' working attitude on financial flexibility will be weakened by positive individual investor sentiment. Comparing the two types of sample results, it can be seen that the regression coefficient of managers' work attitude is smaller under the background of institutional investor sentiment (- 0.018 > - 0.022), which indicates that the influence of institutional investor sentiment is stronger than that of individual investor sentiment, while the influence of individual investor sentiment is greater when the two kinds of investor sentiment are low. The above analysis can show the influence of the two-investor sentiment on the intermediary path.

4.3. Research on Enterprise Ownership

Considering the differences in the selection mechanism of managers and the way of enterprise management under the background of different nature of enterprises, this paper divides the samples into state-owned and non-state-owned enterprises, 2058 samples of state-owned enterprises and 4585 samples of non-state-owned enterprises, and tests models 1, 2, 3 and 5. The regression results are shown in Table 5.

Table 5: Regression of enterprise ownership

Variable	State-Owned Enterprise				Non State Owned Enterprises			
	FF	MWA	FF	FF	FF	MWA	FF	FF
MSF	-0.027**	0.380***	-0.019**	-0.018***	-0.036***	0.311**	-0.029***	-0.024***
	(-2.01)	(8.78)	(-2.11)	(-3.69)	(-3.13)	(2.43)	(-2.88)	(-5.37)
MWA			-0.020***	-0.027*			-0.022*	-0.025***
			(-5.02)	(-1.79)			(-1.78)	(-7.01)
DPS				0.018				0.021**
				(1.55)				(2.13)
INV				0.026**				0.27***
				(2.02)				(3.77)
DPS*MWA				-0.010*				0.006**
				(-1.87)				(2.49)
INV*MWA				0.029**				0.034***
				(2.20)				(5.19)
CONTROLS		control				control		
INDUSTRY		control				control		
YEAR		control				control		
R2	0.450	0.446	0.452	0.557	0.440	0.453	0479	0.481

Note: * P<0.1, ** P<0.05, *** P<0.01, t value in brackets

The results show that the self-efficacy of managers in both state-owned enterprises and non-state-owned enterprises has a negative impact on financial flexibility, which further verifies hypothesis 1, but the impact of self-efficacy of managers in non-state-owned enterprises on financial flexibility is greater (- 0.027 > - 0.036). Compared with model 2, the self-efficacy of managers in state-owned enterprises has a more significant impact on work attitude (0.380 > 0.311). In the two ownership enterprises, the effect of self-efficacy on work attitude is also positive, which verifies hypothesis 2. Comparing the mediating effect of managers' work attitude between the two samples, it can be found that the indirect effect in state-owned enterprises is more obvious (- 0.020 * 0.380 < - 0.022 * 0.311). The results show that institutional investor sentiment has a positive effect on indirect effect (β = 0.029), and individual investor sentiment has a negative moderating effect (β = - 0.010). In the non-state-owned enterprises, the two kinds of investor sentiment have a positive moderating effect on

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

the indirect effect, and the effect of institutional investor sentiment on the indirect effect is more obvious than that in the state-owned enterprise scenario (0.034 > 0.029).

5. Robustness Check

In order to ensure the robustness of the test results and avoid the contingency caused by single measurement of variables, this paper will replace the agent variables of manager self-efficacy and financial flexibility. According to Ma's research [4], if the predicted profit value of an enterprise in a certain year is greater than the actual situation, the self-efficacy of managers is high, and the variable value is 1, otherwise, the value is 0. The empirical results are consistent with the previous empirical results. Therefore, it can be proved that the model is relatively robust, and the measurement method of independent variables has no effect on it. At the same time, change the measurement method of dependent variable financial flexibility. The financial flexibility measurement method of Zhang [16] is adopted, financial flexibility = (enterprise cash turnover period - industry average cash turnover period) + max (industry average interest bearing debt ratio - enterprise interest bearing debt ratio, 0). When other variables remain unchanged, there is no significant difference in regression results.

6. Conclusion And Inspiration

This paper studies the influencing factors of financial flexibility from the perspective of managers' self-efficacy, enriches the relevant research on managers' characteristics, establishes the relationship among managers' self-efficacy, work attitude and financial flexibility, and verifies the internal and external emotions of the organization under the same framework. Based on the unbalanced panel data of non-financial listed companies in Shanghai and Shenzhen stock markets from 2013 to 2019, this paper makes an empirical test.

This paper finds that: (1) managers' self-efficacy has a significant impact on the level of enterprise financial flexibility. Higher self-efficacy of managers will make enterprises have lower financial flexibility. (2) Managers' work attitude is significantly affected by self-efficacy. High self-efficacy will make managers have a positive work attitude, which further supports the previous research conclusions. Self-efficacy can also affect the financial flexibility of enterprises through the working attitude of managers, that is, the working attitude of managers plays a mediating role. (3) The moderating effect of institutional investor sentiment and individual investor sentiment on the mediating mechanism of work attitude was verified. The mediating effect depends on investor sentiment, and the effect of institutional investor sentiment is more obvious than that of individual investor sentiment. 4) The results of sub sample test show that the work attitude of managers in state-owned enterprises is more affected by their self-efficacy, and the mediating role of work attitude is more obvious. In the sample of state-owned enterprises, the influence of institutional investor sentiment on intermediary path is also greater than that of non-state-owned enterprises.

Managers with high self-efficacy tend to maintain low financial flexibility. If the business environment fluctuates, the business situation and investment and financing decisions of enterprises are more likely to be affected. Enterprises need to take prevention and control measures in advance, and gradually improve the management decision-making mechanism to enhance the ability to cope with risks, so as to avoid the runaway operation risks of enterprises. Managers with high self-efficacy generally have a good working attitude. They will deal with the business problems in a positive way and make plans for the future development, reduce unnecessary financial flexible reserves and make rational and efficient use of enterprise resources. In personnel decision-making, the board of directors should fully consider the characteristics of managers and select managers suitable for the current business environment of enterprises, which is of great significance to the strategic development of enterprises and the

ISSN: 2692-7608 DOI: 10.6981/FEM.202101_2(1).0040

optimization of internal governance. At the same time, as an important external interest subject, the investor's emotion to the current situation of the company will also affect the working attitude of the management. When improving the governance mechanism and strengthening the connection with the external supervision body, the enterprise should consider the organization and the individual, and pay attention to the common influence of both on the development of the enterprise.

Acknowledgements

National Natural Science Foundation of China project "Research on core enterprise leadership and its mechanism in technological innovation strategic alliance" (NSFC: 71472144).

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