FACTORS OF INVESTOR BEHAVIOR IN SHARIA STOCK: A THEORY OF PLANNED BEHAVIOR PERSPECTIVE

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Abstract

This study aims to investigate the impact of attitude factors on behavior through investor intentions, subjective norms, behavior, religiosity, religious events, behavioral control, and profit maximization. These factors were analyzed for their influence on investment behavior in Islamic stocks mediated by investor intentions. This research is a type of quantitative research using primary data. The data collection is carried out on respondents with stock accounts for transactions. This research included 42 participants who are investors actively engaged in trading stocks on the Indonesia Stock Exchange and possess a stock account. The selection of investor respondents is expected to reflect accurate decisions in the investment decision-making process. Data was obtained through a research instrument in the form of a questionnaire designed to accommodate the variables to be studied—data analysis using PLS with Structural Equation Analysis (SEM). The results show that subjective norms, religious factors, religious holidays, and profit maximization separately influence investor behavior through investor intentions. Also, this study found that personal criteria do not affect investor intentions, and behavioral control influences investor behavior. This study contributes theoretical implications to augment the literature on investor behavior in Shariah-compliant stocks. Furthermore, it provides practical implications as insights to aid investors in making decisions regarding Sharia-compliant stocks.

Keywords: *Investor; Behavior Investor; Sharia Stock*

Abstrak

Penelitian ini bertujuan untuk menyelidiki dampak dari faktor sikap terhadap perilaku melalui niat investor, norma subyektif, perilaku, religiusitas, peristiwa keagamaan, kontrol perilaku, dan maksimalisasi keuntungan. Faktor-faktor tersebut dianalisis pengaruhnya terhadap perilaku investasi pada saham syariah yang dimediasi oleh niat investor. Penelitian ini merupakan jenis penelitian kuantitatif dengan menggunakan data primer. Pengumpulan data dilakukan terhadap responden yang memiliki rekening saham untuk bertransaksi. Penelitian

ini melibatkan 42 partisipan yang merupakan investor yang aktif bertransaksi saham di Bursa Efek Indonesia dan memiliki rekening saham. Pemilihan responden investor diharapkan dapat mencerminkan keputusan yang akurat dalam proses pengambilan keputusan investasi. Data diperoleh melalui instrumen penelitian berupa kuesioner yang dirancang untuk mengakomodasi variabel-variabel yang akan diteliti analisis data menggunakan PLS dengan Structural Equation Analysis (SEM). Hasil penelitian menunjukkan bahwa norma subyektif, faktor agama, hari raya keagamaan, dan maksimisasi keuntungan secara terpisah mempengaruhi perilaku investor melalui niat investor. Selain itu, penelitian ini juga menemukan bahwa kriteria pribadi tidak mempengaruhi niat investor, dan kontrol perilaku mempengaruhi perilaku investor. Penelitian ini memberikan implikasi teoritis untuk menambah literatur mengenai perilaku investor pada saham-saham yang sesuai dengan syariah. Selain itu, penelitian ini juga memberikan implikasi praktis sebagai wawasan untuk membantu investor dalam mengambil keputusan mengenai saham syariah.

Kata Kunci: Investor; Perilaku Investor; Saham Syariah

INTRODUCTION

An investment widely known and carried out by the public is the investment process of purchasing securities in the Capital Market. Access to capital market commodities is relatively easy to make this investment much sought by the community as a promising alternative investment (Kovac et al., 2016). Investor behavior in the investment process is inseparable from the factors that play a role in investment decision-making (Binmahfouz, 2012). Indonesia has a Muslim majority with unique demographic conditions and plays a role in the investment process in the capital market. The investment decision-making process carried out by investors is inseparable from the perspective of the beliefs held by investors with its various characteristics. As a religion that many Indonesian people embrace, Islam also recognizes and regulates investment as an economic activity. Investment in Islam is part of *muamalah* activities; Islam sees the investment as necessary to make property productive and more beneficial to others. Islam strictly prohibits hoarding wealth(Binmahfouz, 2012).

Islam offers a variety of ways and tips for living life under the norms and standards of Allah SWT (Tajuddin et al., 2018). Islam teaches investing by giving instructions and basic signs every Muslim must follow. Among these signs are as follows: free from usury, avoid *gharar*, avoid gambling, avoid haram, and avoid similar elements (Desiana et al., 2018). Applying Sharia principles in the capital market certainly comes from the Koran as the highest legal source and the Hadith of the Prophet Muhammad. Based on that, Islamic

capital market activities are developed based on *muamalah* fiqh (Falikhatun & Assegaf, 2012). There are muamalah fiqh rules: "Basically, all forms of muamalah are permissible unless there is an argument forbidding them." This concept is the principle of Islamic capital markets in Indonesia.

Investor preferences for investment choices are based on various factors that are an investment decision process. The variety of investment options in the market makes alternative investment choices through available securities. One investment variant that can be made is a valuable surah in the form of Islamic stocks. These Sharia shares are facilitated in two indices that can be used as a reference in investing: the Indonesia Sharia Stock Index (ISSI) and the Jakarta Islamic Index (JII). Both of these indexes help investors to establish Sharia principles in investing. Indonesia has demographics with characteristics of the majority of its population who adhere to Islam. Research shows that preferences in the investment decision-making process are motivated by moral behavior, ethics, and religiosity (Pitluck, 2011). (Klein et al., 2017) showed that religion influences the behavior of investors.

In addition, Septyanto et al. (2018) investigate how religious events in Islam can influence the stock market's reaction to the issuance of Sukuk relative to conventional bonds. In addition, research diverges from the theory of consumer behavior, and instead, this study adopts the theory of planned behavior (TPB) as the overarching framework (Fauzi et al., 2022; Miguel et al., 2022). The rationale behind this decision stems from TPB being one of the theories widely used in behavioral finance to explain investor behavior influenced by various factors. Widyastuti et al. (2021) suggested utilizing psychological theories to explore these factors. The focus of this study was market discipline, precisely investors' withdrawal behavior, which was observed from a behavioral perspective. This study employed the TPB to analyze market discipline, demonstrating statistical validity and robustness in explaining various behaviors, including financial behavior. However, for this study, TPB was deemed more suitable as a motivational theory for predicting and understanding the behavior of fund withdrawals in the given context (Shirahada & Zhang, 2022; Boonroungrut & Huang, 2021).

As mentioned earlier, it can be inferred that there is a lack of in-depth research on the factors influencing the investment decision-making process of Muslim investors. Consequently, this study addresses this gap by delving into the intricacies of the factors influencing investment decision-making, specifically in Sharia-compliant stocks. Moreover, this research formulates two key research questions: first, whether respondents take religious

teachings into account when making investments, and second, what considerations guide investors in their investment decisions.

This study adopts the perspective of the theory of planned behavior to examine the determinants of investor decision-making in Sharia-compliant stocks. The rationale behind this choice lies in investigating investor intentions and behavior in the decision-making process related to Shariah stocks. Therefore, the primary aim of this study is to explore the impact of various factors such as attitudes, subjective norms, behavioral control, religiosity, event religiosity, profit maximization, and investor intentions on investor behavior regarding the choice to invest in Islamic products on the Indonesia Stock Exchange. This research contributes more broadly to theoretical literature concerning investor behavior in Shariah-compliant stocks. Additionally, it offers practical insights to assist investors in their decision-making processes related to investments in Sharia-compliant stocks.

LITERATURE REVIEW

Investment Behavior

Investment behavior is how investors assess, predict, analyze, and review decision-making procedures, including investment psychology, information gathering, identifying and understanding, research, and analysis. The whole process is the Investment Behavior (Kanwal et al., 2018). Hoegen et al. (2018) stated that decision-making is confusing. Standard analytical methods are fundamental, technical, trade volume, and political factors. Valuable and excessive information sometimes leads to inconsistent decisions. The study also believes that psychology and investor expectations are critical factors for investment performance.

Psychological analysis of the stock market encourages understanding how psychology influences stock prices and market behavior (Jagongo & Mutswenje, 2014). Most investors ignore objective data and are influenced by news from the mass media; they buy shares when prices are high and sell shares when prices fall sharply. This "high buy and sell low" behavior may not occur when an investor makes an individual decision without interference.

Investor behavior can be formed based on the religion that investors believe. Klein et al. (2017) analyzed how religious events in Islam could affect the stock market's reaction to the issuance of Sukuk relative to conventional bonds. Moreover, Warsame & Ireri (2016) used the TPB model to investigate the use of Sukuk in Qatar and revealed that attitude significantly and positively influences behavioral intentions to use Sukuk. Alam et al. (2017) stated five

Islamic Economic Principles in Investment. Islamic principles regarding investment: do not look for a fortune on things that are not clean, both in terms of substance and how to get it, and do not use it for items that are not legal. Do not be tyrannical, and do not be persecuted—Justice contributes to the welfare; transactions are based on mutual pleasure; There is no element of riba, *maysir* (gambling/speculation), and *gharar* (unclear or unclear); hoping for God's favor means that certain investment forms are chosen to achieve God's pleasure.

The Financial Services Authority (OJK) selects Sharia shares with several provisions. It is divided into two: The issuer does not conduct business activities that violate Islamic principles. Second, the issuer fulfills financial ratios such as total interest-based debt compared to total assets of no more than 45%, or total interest income and other non-halal income compared to total operating revenues (revenue) and other income not more than 10 %. Besides, the transaction did not violate DSN-MUI fatwa Number 80, which regulates the scheme. Indonesia's Islamic capital market itself is considered quite competitive (www.ojk.go.id).

Investor preferences for investment choices are based on various factors that become the investment decision process (Kovac et al., 2016). The variety of investment options in the market makes alternative investment options through securities available. One of the investment variants that can be done in securities is in the form of Sharia shares. These Sharia stocks are facilitated in two indices that can be used as a reference in investing: the Indonesia Sharia Stock Index (ISSI) and the Jakarta Islamic Index (JII). The two indices help investors to establish Sharia principles in investing. Indonesia has a demography with characteristics of the majority of the population being Muslim. Research shows that preferences in the investment decision-making process are motivated by moral behavior, ethics, and religiosity (Rudnyckyj, 2013).

Theory of Planned Behavior (TPB)

Icek Ajzen and Martin Fishbein established the Theory of Planned Behavior in 1985, which extends the pure control boundary requirements determined by the Theory of Reasoned Action. It is accomplished by integrating ideas about having the requisite resources and opportunities to conduct particular behaviors (Madden et al., 1992a). The more resources and possibilities people believe they have, the more control they should have over their actions. As with behavioral and normative beliefs, these beliefs can be separated and treated as distinct causes of behavior. Intentions can impact

individual conduct, predicted by subjective norms and attitudes toward behavior.

Ajzen (1991) explained that the TPB hypothesis connects intents, beliefs, and attempts to explain human behavior. Ajzen attempted to predict non-volatile persons' intentions and later actual actions by examining their behavior. When a person perceives reasonable behavioral control, he is more confident and likely to undertake actual behavior related to his behavioral aims.

TPB explained that intention, predicted by subjective norms, attitudes toward the conduct, and perceived behavioral control, can affect an individual's behavior. Beck & Ajzen (1991) explained that attitude is a crucial element that may impact a financial choice. It is because ATT makes financial decisions based on a person's values, culture, and morals possible. It measures the degree to which a person generally has a positive or negative evaluation or appraisal. Aligning their investments with Islamic principles, ethical concerns, and long-term sustainable growth is at the heart of the mindset of Islamic investors, who also refrain from engaging in any actions that Shariah rules believe to be unlawful or damaging (Widyastuti et al., 2021). Therefore, the indicators of attitude in this study consist of morals toward God, morals to investors themselves, and morals toward fellow human beings

Ajzen (2005) defined subjective norms as individual perceptions about whether people are essential to individual thinking behavior must be done. Subjective norms are the extent to which a person is motivated to follow people's views of the behavior they will do (normative belief). If the individual feels it is his right to determine what he will do, not defined by others around him, then he will ignore people's views about the behavior that will be done (I. A. Ajzen, 2002). Motivation to comply describes this phenomenon, namely whether individuals obey the views of others who are influential in their lives. Subjective norms are a function of the perceived expectations of individuals where one or more people around them (for example, relatives or peers) approve of certain behaviors and motivate them to obey them (Icek Ajzen, 2005). From Islamic Perspective, the subjective norm is identified as a predictor of intention/will. From the Islamic perspective, the subjective norm indicator in investment intention is represented by the intention to worship, treat, and *qurban* (Septyanto et al., 2018).

Behavioral control is a person's perception of obstacles in behavior (Madden et al., 1992b). Behavioral control views the control a person has of his behavior on a continuum of behavior that is quickly done with sufficient effort and resources. Fishbein et al. (2007) stated that perceived behavioral control is also a function of control beliefs and the achievement of control

factors (access to the control factor). Controlling factors include internal factors (expertise, abilities, information, and emotions) and external factors (for example, situation/environment). Moreover, based on the theory, Islamic investors' behavioral control indicators are divided into internal and external factors (Septyanto et al., 2018).

Religiosity

Religiosity comes from the Latin word "religion," whose root word is refigured, which means binding. Thus, it implies that religion or religion generally has rules and obligations that adherents must obey and carry out (Amer, 2023). All these bind a person or group of people with God, fellow human beings, and the natural surroundings (Xu et al., 2017). Rothman and Coyle (2018) define religiosity as focusing more on behavioral and social problems and is a doctrine of every religion or class. Every follower must follow the principles possessed by every religion (Mnif et al., 2023). The source of the religious soul is an absolute sense of dependence, the existence of fears of threats from the surrounding natural environment, and human beliefs about all its limitations and weaknesses. This complete dependency makes people look for supernatural powers from around them that can be used as protective forces in their lives with an intensity that is outside of themselves, namely God (Noor, 2020). Accordingly, the dimensions of religiosity in this study refer to dimensions of belief, worship or religious practices, award dimension, practice, and religious knowledge (Septyanto et al., 2018).

Huber and Huber (2012) explained that the dimension of belief is an ideological dimension that gives an idea of the extent to which a person accepts things that are dogmatic from his religion. In Islam, the dimension of faith concerns faith in trust in Allah, the Angels, the Apostles, the books of Allah, heaven and hell, and Radha and qadar (Hasan & Rahman, 2023). The dimension of worship or religious practice is the ritual dimension, namely the extent to which a person carries out his religious obligations 1 12 religion, for example, prayer, fasting, zakat, pilgrimage, reading the Qur'an, prayer, zikr, and others primarily for Muslims.

The dimension of practice or consequence refers to the degree to which a person behaves motivated by the teachings of his religion, namely how the individual relates to his world, especially with other humans. These dimensions include helpful behavior, cooperation, giving, upholding justice and truth, acting honestly, forgiving, not stealing, obeying Islamic norms in sexual behavior, striving to live successfully in Islam, and so on.

The dimension of knowledge refers to what level of knowledge a person has on the teachings of his religion, especially regarding the central teachings

of his faith, as contained in his holy book. In Islam, this dimension concerns the knowledge of the contents of the Qur'an, the main points of teachings that must be believed and implemented, Islamic laws, Islamic history, and others. e. The dimension of appreciation refers to how far the level of someone is in feeling and experiencing feelings and religious experiences. This dimension is manifested in the feeling of being close or close to God; his prayers are often fulfilled, the feeling of peace or happiness, the sense of resignation, the solemn sense when worshipping, and so on.

Religious Events

Some studies describe that imams' or religious announcements and religious events may impact stock prices, and these factors may influence investor behavior. However, some research suggests that investors' financial decisions, including those of individual investors, may be influenced by subjective knowledge and opinions (Alshammari & Ory, 2023; Klein et al., 2017). Several considerations, including religious events, influence investor decisions. Alqahtani and Boulanouar (2017) mentioned that Stocks of Sharia-compliant companies are typically avoided by investors during the holy month of Ramadan since doing so is considered impure. Thus, the dimensions of the religious events in this investigation refer to service, price, and accessibility.

Profit Maximization

Profit maximization in the Islamic ethical view is discouraged due to concerns of exploitation, disruption of market functioning, and damage. Islamic business ethics significantly focuses on society's welfare and survival. Islamic views often favor legal profit margins and wage rates that do not encourage exploitation. Therefore, high costs and harm to society are not viewed favorably. Profit is the desired outcome to promote economic growth and improve the welfare of society. Profit maximization is seen to be incompatible with Islam's concern for societal welfare and moral conduct (Alshammari & Ory, 2023).

HYPOTHESIS

Attitude has long been diagnosed to be a predictor of future behavior. In the theory of reasoned behavior, attitude is described as the evaluative effect of a character's tremendous or destructive emotions toward accomplishing a specific behavior. However, the behavioral aim is recently described as a person's favourableness or unfavourableness toward a psychological item. If an individual has a more excellent beneficial attitude toward a particular behavior, the probability is higher that they will have a

purpose to conduct the behavior. On the other hand, if they are extra damaging behaviors, they are likely to have the goal no longer. Many studies have claimed a widespread impact of attitude on behavioral purpose; as a result, in the context of character investment, it is miles affordable to assume that if a person investor is more favorable of the investment, they are more stimulated to take the motion than the ones who are less favorable (Cuong & Jian, 2014; Scott et al., 2018). This association is presented in the following advised hypothesis:

H1: Attitude affects investor behavior

The subjective norm is one of the original constructs from Theory Reason Action (TRA). It captures a person's belief concerning whether or not most of their significant others assume they have to or must no longer behave the behavior (I. Ajzen, 1991). The subjective norm is considered one of the immediate determinants of behavioral purpose in TRA and TPB. In step with TPB, if a person, For example, a person investor in the stock market, sees that individuals who are extra essential to them think they must perform positive behavior, it is somewhat likely that they will intend to do so (Cuong & Jian, 2014). Similarly, the subjective norm is the aggregate of the perceived expectancies from relevant people and intentions to conform with the expectancies of those crucial people. Understanding a person's beliefs may be crucial in understanding the individual's attitude (Info et al., 2017). This association is presented in the following advised hypothesis:

H2: Subjective norms affect investor behavior

The control behavior in TPB is represented through perceived behavioral control (PBC). Ajzen (2002) defines PBC as a person's belief in the convenience or the issue of engaging in a particular action. It indicates that in the TPB model, the stronger one's behavior control is, as an example, that of a person investor, the more likely they could behave the conduct (Ajzen, 2005). Moreover, vice versa, the possibilities will be much less. Consequently, the performance of conduct is correlated with one's self-assurance of their capacity to conduct the behavior (Cuong & Jian, 2014). This association is presented in the following advised hypothesis:

H3: Behavioral control affects investor behavior

Religiosity is an excellent prediction of the behavior of Islamic capital market investors. It indicates that Islamic capital market traders nevertheless consider the fee of their religious ideals and could act according to the non-secular principles they accept as accurate. Investors will make investment selections following the values, ideas, and morals followed, and one factor that offers values, standards, and morals to traders is religion. It shows that traders

as people have a bias in behavior. Studies indicate that buyers as buyers conduct as people have different sorts of one-of-a-kind styles of bias. The behavioral bias proven by buyers as people suggests the existence of irrationality that prioritizes psychological factors in determining the action (Bulutoding et al., 2020). This association is presented in the following advised hypothesis:

H4: Religiosity affects investor behavior

Religious events offer a framework of essential interest for investigating investors' behavior because they foster religiosity with an extra incentive for spirituality for the duration of spiritual activity and influence the investment perception that aligns with Isla teachings. Nevertheless, the duration of religious occasions can also play a position in the welfare of traders (Klein et al., 2017). A study was conducted on the effect of Ramadan on stock returns in 15 Muslim countries. Applying a stochastic dominance approach shows that during the period 1995-2012, there was a positive effect of Ramadan on stock returns in most countries. However, the magnitude has decreased with the financial crisis (Al-Khazali, 2014). This association is presented in the following advised hypothesis:

H5: Religion Events affect investor behavior

The purpose of investors is related to the return or dividend. They will maximize their profit regarding their investment. If the company can maximize its gain, it will be considered to invest more funds (Parveen et al., 2020). This association is presented in the following advised hypothesis:

H6: Maximizing Profits affects investor behavior

Intentions capture the motivating variables that impact a behavior; they are signs of how hard people are willing to try and how much effort they intend to put forth to perform the behavior (Ajzen, 1991). According to the theory, the intention is necessary for voluntary conduct prompted by perceived opportunity as a result of an intended action that is not carried out might result in a loss of opportunity or a shift in interest as knowledge becomes more prevalent (Warsame & Ireri, 2016). Hence, from an Islamic investor perspective, behavioral intention indicates an investor's efforts to carry out a behavior, such as investing in the Islamic capital market (Yusfiarto et al., 2022).

H7: Attitude, subjective norm, behavioral control, religiosity, religious event, and profit maximization are mediated by investor intention.
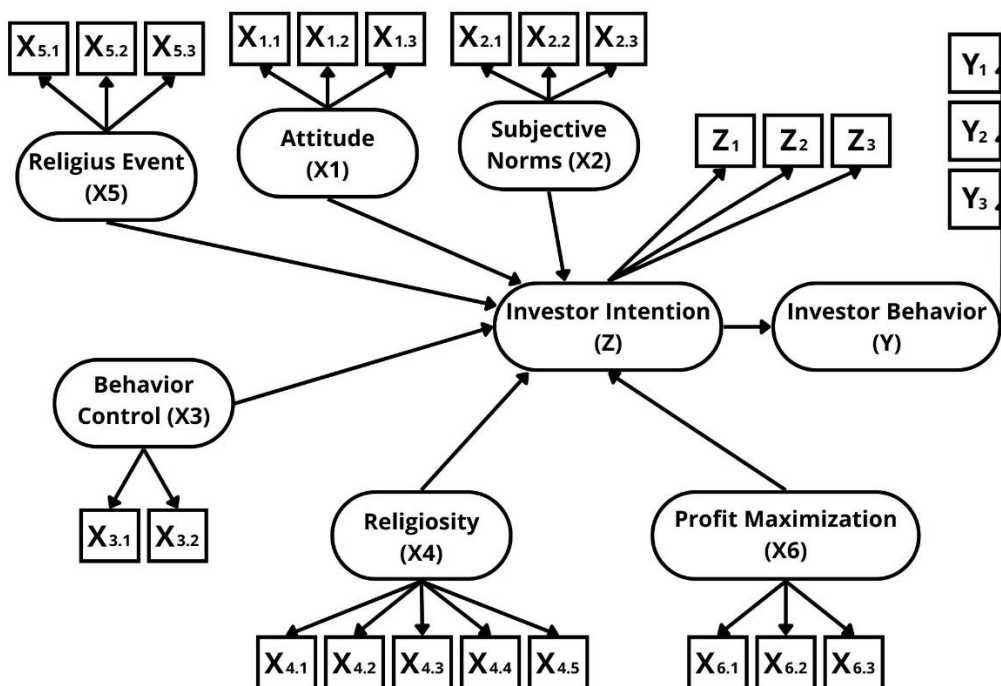
Figure 1. Research Framework
Source: Septyanto et al., (2018)

METHODS

This research is a type of quantitative research that seeks to analyze the factors that determine the investment in Shariah shares. This research is explanative and quantitative. The research model is to find and explain causal relationships between variables through hypothesis testing using quantitative approaches and will be analyzed qualitatively and quantitatively to better explain the causality relationships between variables through hypothesis testing and variable analysis (Sekaran & Bougie, 2016).

The population of this study consists of people who have worked in the last two years, have a steady source of income, and have both fixed and financial assets. This study comprised 42 active stock traders on the Indonesia Stock Exchange with a stock account. The sampling for this inquiry was carried out using the nonprobability sampling strategy, sometimes called the purposive sample method. For purposeful sampling, the subjects best suited to provide the required information are selected for various factors (Sekaran & Bougie, 2016). The respondent had to be a Muslim and have fixed and financial assets that could be invested in the Islamic capital market.

Collecting data is done by using a questionnaire method, namely by giving respondents a set of questions or written statements to be answered

(Cooper & Schindler, 2014). This study was analyzed with inferential statistics using the SPSS program version 15.0 and SmartPLS version 2.0, intended to analyze sample data to be generalized to the population. The unit of analysis of this research is investors. Test Validity and Reliability Test The validity test used in this research instrument uses Pearson Product Moment Correlation (r) Statistics, which are measured for attitude, subjective norms, behavioral, and religious control variables. The reliability coefficsient empirically shows High and low reliability (Hair et al., 2014).

RESULT AND DISCUSSION

The research was conducted through online and offline questionnaire-based survey methods. The instrument test was conducted on 15 respondents through an offline questionnaire. In this trial, the intended respondent is not a fundamental investor but an individual who understands the stock investment. The analysis was done because of limited access to respondents according to the criteria. Instrument test results show that the instrument has valid indicators in representing the variables used in this study. Validity testing was done with 100 respondents. In this test, the critical correlation coefficient is obtained from the distribution table r by using a significant level of 5%, then r-table = 0.195. The significance test compares the r-count's value with the r-table's value. The statement is valid if the r-count is greater than the r-table value. Table 4.1 shows that if the r-count is more remarkable than table = 0.195 or more, then of the 55 items, all instrument statements are declared valid and can be used for further analysis.

Validity and Reliability Test

Table 1 shows that if the r-count is more significant than table = 0.195 or more, then of the 55 items, r-table 0.3291 all instrument statements are declared valid and can be used for further analysis. The tested instrument is then used to obtain research data. Questionnaires were distributed through the Google form format to respondents.

This study involved 42 respondents who are investors who have a stock account on the Indonesia stock exchange and are actively trading shares. The actual use of respondents is expected to provide a candid picture and reflect investor behavior. Even with this goal, the expected number of respondents could be much higher. Shown in table 2 reliability test.

Table 1. Validity result

Var	Indicator	R-count	Validity	Var	Indicator	R-count	Validity
X1	**1**	0.918	Valid	**X5**	**1**	0.806	Valid
		0.948	Valid			0.771	Valid
		0.954	Valid		**2**	0.776	Valid
	2	0.898	Valid			0.659	Valid
		0.791	Valid		**3**	0.729	Valid
		0.939	Valid			0.710	Valid
	3	0.760	Valid	**X6**	**1**	0.725	Valid
		0.809	Valid			0.740	Valid
		0.797	Valid			0.598	Valid
X2	**1**	0.752	Valid			0.798	Valid
		0.844	Valid			0.600	Valid
	2	0.848	Valid			0.646	Valid
		0.635	Valid	**Y**	**1**	0.832	Valid
	3	0.509	Valid			0.808	Valid
X3	**1**	0.766	Valid		**2**	0.901	Valid
		0.893	Valid			0.852	Valid
	2	0.957	Valid		**3**	0.641	Valid
		0.932	Valid			0.701	Valid
X4	**1**	0.830	Valid	**Z**	**1**	0.867	Valid
		0.815	Valid			0.870	Valid
	2	0.797	Valid		**2**	0.880	Valid
		0.702	Valid			0.910	Valid
		0.860	Valid		**3**	0.855	Valid
	3	0.873	Valid			0.679	Valid
		0.782	Valid				
	4	0.748	Valid				
		0.671	Valid				
		0.788	Valid				
	5	0.739	Valid				
		0.636	Valid				
		0.805	Valid				

Source: Author Analysis (2022)

Table 2. Reliability test

Var	Alpha	Reliability
X1 Attitude	0.954	Reliable
X2 Subjective Norms	0.769	Reliable
X3 Behavior Control	0.912	Reliable
X4 Religiosity	0.937	Reliable
X5 Religious Event	0.835	Reliable
X6 Profit Maximization	0.760	Reliable
Y Investor Behavior	0.879	Reliable
Z Investor Intention	0911	Reliable

Source: Author Analysis (2022)

Hypothesis Testing

Data obtained through the instrument is then analyzed using smart PLS. This research model will be analyzed using the Partial Least Square (PLS) method and assisted with SmartPLS 3.0 software. PLS is an alternative method of Structural Equation Modeling (SEM) that can be done to overcome problems in relationships between highly complex variables but small data sample sizes (30-100 samples) and have non-parametric assumptions, meaning that the data does not refer to either certain distributions (Yamin & Kurniawan, 2009). The results of the data analysis are as follows (Table 3 - 5):

Table 3. Inner Weight

	O	M	STDEV	T-Statistics O/STDV	P Values
X1 Attitude → Z Investor Intention	0.301	0.330	0.238	1.264	0.207
X2 Subjective Norms → Z Investor Intention	0.072	0.083	0.190	0.377	0.707
X3 Behavior Control → Z Investor Intention	0.225	0.187	0.249	0,903	0.367
X4 Religiosity → Z Investor Intention	0.362	0.339	0.214	0.689	0.092
X5 Religious Event → Z Investor Intention	0.121	0.114	0.098	1.240	0.216
X6 Profit Maximization → Z Investor Intention	-0.058	-0.048	0.096	0.605	0.546
Z Investor Intention → Y Investor Behavior	0.862	0.860	0.080	10.810	0.000

Source: Author Analysis (2022)

Table 4. Mean table

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%
X1 Attitude → Z Investor Intention	0.301	0.330	0.139	0.820
X2 Subjective Norms → Z Investor Intention	0.072	0.083	-0.298	0.469
X3 Behavior Control → Z Investor Intention	0.225	0.187	0.406	0.590
X4 Religiosity → Z Investor Intention	0.362	0.339	-0.143	0.716
X5 Religious Event → Z Investor Intention	0.121	0.114	0.081	0.310
X6Profit Maximization → Z Investor Intention	-0.058	-0.048	-0.232	0.148
Z Investor Intention → Y Investor Behavior	0.862	0.860	0.659	0.959

Source: Author Analysis (2022)

Table 5. Total Indirect Effects

|	Original Sample (O)	Sample Mean (M)	STDEV	T Statistics O/STDV	P Values
X1 Attitude ---> Y Investor Behavior	0.259	0.283	0.207	1.255	0.210
X1 Attitude ---> Z Investor Intention					
X2 Subjective Norms --->Y Investor Behavior	0.062	0.059	0.164	0.377	0.366
X2 Subjective Norms ---> Z Investor Intention					
X3 Behavior Control ---> Y Investor Behavior	0.194	0.162	0.215	0.904	0.366
X3 Behavior Control ---> Z Investor Intention					
X4 Religiousity ---> Y investor Behavior	0.312	0.293	0.187	1.669	0.096
X4 Religiousity ---> Y Investor Intention					
X5 Religious Event ---> Y Investor Behavior	0.104	0.098	0.084	1.235	0.217
X5 Religious Event ---> Z Investor Intention					
X6 Profit Maximization --->Y Investor Behavior	-0.050	-0.040	0.083	0.605	0.545
X6 Profit Maximization ---> Z Investor Intention					

Source: Author Analysis (2022)

The result shows that variables do not directly influence investor behavior. However, investor behavior is directly influenced by investor intentions. In this case, the variables will directly affect Investor Intention, which will affect Investor Behavior.

R-Square shows the ability of exogenous variables to explain endogenous variables. Analysis of Variant (R2) or Determination Test that determines the effect of independent variables on the dependent variable, the value of the coefficient of determination can be shown in Table 6 R-Square values above 0.75. It shows that the coefficient of determination in the endogenous construct is strong. It means that investor behavior is determined at 74.2% by Investor Intention, and other factors explain the remaining 25.8%. Whereas Behavioral Variables, Subjective Norms, Behavioral Control, Religiosity, Religious Events, and Earnings Maximization explain, other variables explain 86.7% of Investor Intention and 13.3%.

Table 6. *R-Square*

	Original Sample (O)	Sample Mean (M)	STDEV	T Statistics O/STDV	P Values
Y Investor Behavior	0.742	0.745	0.130	5.717	0.000
Z Investor Intention	0.867	0.878	0.057	15.267	0.000

Source: Author Analysis (2022)
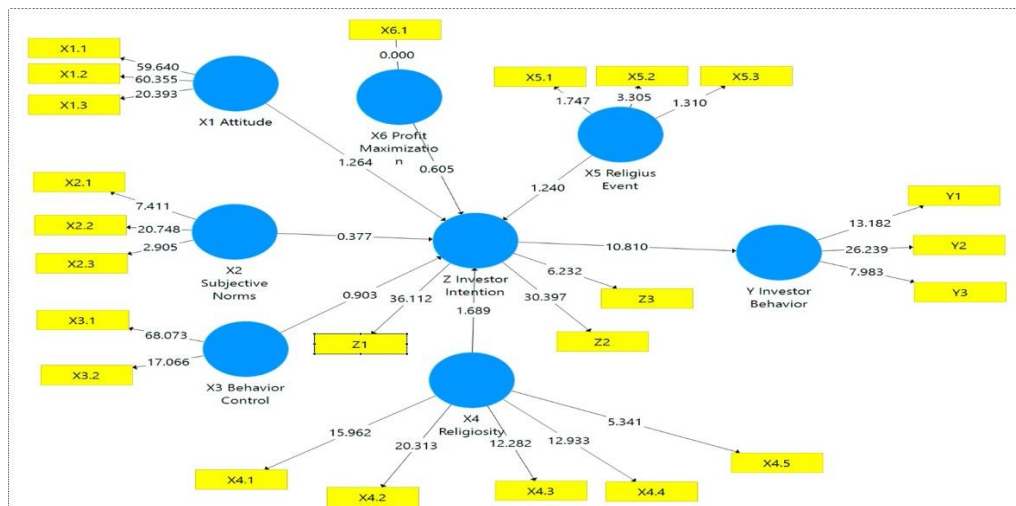
Figure 2. Research Model Result
Source: Author Analysis (2022)

The results of Figure 2, Outer loadings (measurement model) or convergent validity are used to test the unidimensionality of each construct. According to Chin (1998), the loading factor indicator value greater than or equal to 0.5 can be said to be valid. The results showed that Indicators X1.1, X1.2, and X1.3 are valid for Attitude (X1) variables. Indicators X2.1, X2.2, and X2.3 are valid against Subjective Norms (X2). Indicators X3.1 and X3.2 are valid for Behavioral Control (X3). Indicators X4.1, X4.2, X4.3, X4.4 and X4.5 are valid for Religiosity (X4). Indicators X5.1 and X5.3 are invalid for Religious Events, while indicators X5.2 are valid for Religious Events.

DISCUSSION

Analysis data showed that H1 examines attitudes affecting investor behavior through investor intentions. The first hypothesis examines whether investor attitudes positively influence investor behavior through investor intentions. The loading factor results show 1,264. The test results show a significant effect, so hypothesis 1 is supported. H2 examines whether subjective norms affect investor behavior through investor intentions. The test results show that the loading factor is 0.377. It shows that subjective norms do not affect

investor intentions. H3 examines whether behavioral control influences investor behavior through investor intentions. The test results showed a loading factor of 0.903. These results indicate that behavioral control influences investor behavior. H4 examines whether the religiosity factor influences investor behavior through investor intentions. It is indicated by the loading factor of 1,869. H4 is not supported. H5 examines whether religious holidays affect investor behavior through investor intentions with a loading factor of 1,240. H5 is supported. H6 tests whether Profit Maximization affects investor behavior through investor intentions with a loading factor of 0.605. H6 is supported. The mediated variable investor intention presents the factor loading value 10.810; it can be concluded that H7 is supported.

The findings of the hypothesis test indicate that religiosity, which has a value of 1,688, is the most critical determinant, followed by attitude and subjective norms, which have the lowest values. Considering that the decision-making process is most influenced by religion, respondents in this study make decisions about Islamic stocks primarily based on their religious beliefs. It is consistent with previous studies (Chircop et al., 2020; Klein et al., 2017), which explain that investors' levels of religiosity are their primary deciding factor when investing in Islamic stocks.

According to Mahdzan et al. (2017), the overall relationship between Islamic religiosity levels and portfolio allocation was statistically insignificant. However, two specific dimensions of religiosity, virtue and obligation, were also found to have an insignificant relationship with portfolio allocation. On the other hand, these two dimensions significantly impacted the allocation of risky assets within Islamic stocks. In other words, the study suggests that while Islamic religiosity may not significantly influence portfolio allocation, the dimensions of virtue and obligation play a significant role in the allocation of risky assets within Islamic stocks.

As Ajzen (2005) described, subjective norms are influenced by an individual's perceptions derived from their social environment, which subsequently affect their decision-making process. Social and environmental pressures are considered contributing factors that influence intentions, even if they conflict with personal preferences. Previous research has suggested that the preferences of one's surroundings influence the intention to invest in financial markets (Widyastuti et al., 2021; Yusfiarto et al., 2022). However, the findings of this study contradict these hypotheses, indicating that investors' decisions to invest in Islamic stocks are not influenced by the preferences of their social circle or immediate contacts.

CONCLUSION

This study examines the influence of attitude, subjective norms, behavior control, religiosity, religious events, behavioral control, profit maximization, and investor intention on investor behavior to determine the dimensions of investment decision-making in Sharia stock. The empirical result presents that attitudes or moral factors influence investor behavior through investor intentions to invest in Sharia stock products. Subjective norms do not affect the behavior of investors to invest in Sharia stock products. Behavioral control influences investor behavior through investor intentions to invest in Sharia stock products. Religiosity affects the behavior of investors through their intention to invest in Islamic stock. Religious holiday events affect investor behavior through the intention to invest in Islamic stocks. The maximization of profits affects the behavior of investors through the intention to invest in Islamic stocks. In addition, the investor intention mediated attitude, subjective norms, behavior control, religiosity, religious events, behavioral control, and profit maximization in investor behavior.

This research has implications for individual investors as an insight into what factors can influence decision-making on Islamic stocks. Prior studies have utilized Consumer Behavior Theory to forecast the factors affecting investor decision-making regarding investing in Islamic stocks. This current study aims to bridge the theoretical gap by examining the determinants of investor decision-making in this context through the theory of planned behavior, specifically applicable to Islamic stocks.

The limitation of this study is that Data collection is carried out face-to-face directly with investors, so it takes a long time to collect respondents, which makes it not optimal in collecting respondent data. The following suggestions can be formulated to help future researchers develop this research topic or other research topics involving a more significant number of respondents, ensuring that participants are active investors who transact on the exchange. This study makes a broader contribution to the theoretical literature on investor behavior in Shariah-compliant stocks. Moreover, it provides practical insights to support investors in making decisions regarding investments in Shariah-compliant stocks.

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