

Do Muslim Investors Consider Sharia literacy in Their Behavior When Trading Stocks? Experiences of Indonesian Stock Investors

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Abstract

The purpose of this study is to explain how the economic behavior of the Indonesian Muslim community in stock transactions influenced by their understanding of sharia. This research uses the Theory of Planned Behavior with exogenous variables being attitude, subjective norm, and perceived behavior control as predictors of intention as the endogenous variable. The ethical domain in this study is indicated by the presence of sharia literacy as a consideration in economic behavior. This research uses a quantitative approach with primary data obtained by distributing questionnaires to respondents who are sharia stock investors in Indonesia. The number of valid questionnaires amounted to 499. The data were processed using Partial Least Squares (PLS) with SmartPLS software. The results of this study show that each of the variables of attitude, subjective norm, and perceived behavior control has a significant positive effect on the intention to invest in sharia stocks. Sharia literacy is proven to moderate the influence of attitude on behavioral intention, but this does not occur in the variables of subjective norm and perceived behavior control.

Keywords: *behavioral intention; investment decision; sharia literacy; theory of planned behavior.*

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Introduction

The Covid-19 pandemic a few years ago left a bitter story for economic growth in almost all parts of the world. In Indonesia, economic growth experienced a slowdown. In 2019, Indonesia's economy experienced a slowdown with an economic growth rate of 5.02 percent, lower than the 5.17 percent recorded in 2018 (BPS 2019). In 2020, economic growth further declined, with a decrease of 2.07 percent compared to 2019 (BPS, 2020). Signs of economic improvement in Indonesia began to appear post-pandemic in 2021, with a recorded growth of 3.69 percent (BPS, 2021). This trend continued in 2022 with a growth of 5.31 percent (BPS, 2022) and in 2023 at 5.04 percent (BPS, 2023) as shown in Table 1. Amid the national economic conditions that are moving towards a recovery process, the stock investment sector in Indonesia has experienced a significant increase.

Table 1. Growth of Stock Investors in Indonesia

Year	SID	Growth	Presentase (%)
2017	1.122.668		
2018	1.619.372	496.704	44.24
2019	2.484.354	864.982	53.41
2020	3.880.753	1.396.399	56.21
2021	7.489.337	3.608.584	92.99
2022	10.311.152	2.821.815	37.68
2023	12.168.061	1.856.909	18.01

Source: KSEI Statistical Data (processed)

The growth in the number of stock investors driven by passive income motives has become even more significant when influenced by massive movements initiated by both the IDX (Indonesia Stock Exchange) and certain community groups. For example, movements such as “Yuk Nabung Saham” (Let's Save Stocks) and “Aku Investor Saham” (I'm a Stock Investor), which have become the official slogans of the IDX, the “Ngaji Saham” (Stock Study) movement initiated by PBNU (Nahdlatul Ulama), the “Beli Saham dengan Sampah” (Buy Stocks with Waste) movement promoted by waste-conscious communities in Surabaya, and other

similar movements (Rosmida & Wahyuni, 2017).

Specifically for the “Yuk Nabung Saham” (Let’s Save Stocks) and “Aku Investor Saham” (I’m a Stock Investor) movements, the IDX collaborates with universities to open stock kiosks on campuses, referred to as Investment Galleries (Oktapiani, 2021). These Investment Galleries serve as a channel for stock literacy information to the general public. This IDX program has been quite effective, as evidenced by the growth in the number of stock investors in Indonesia, as indicated by the data above.

Based on the type of products or services offered by issuers, the stock investment market share in Indonesia is divided into two categories: sharia stocks and non-sharia stocks. Sharia stocks, represented by ISSI, are stocks from issuers whose products or services, as well as financial performance, have undergone screening by the IDX, OJK (Financial Services Authority), and DSN-MUI (National Sharia Council – Indonesian Ulema Council) (DSN-MUI, 2020). On the other hand, non-sharia stocks are regular stocks whose products or services do not meet the screening criteria required by the IDX and DSN-MUI. The market share of sharia stocks in Indonesia can be seen in the following data.

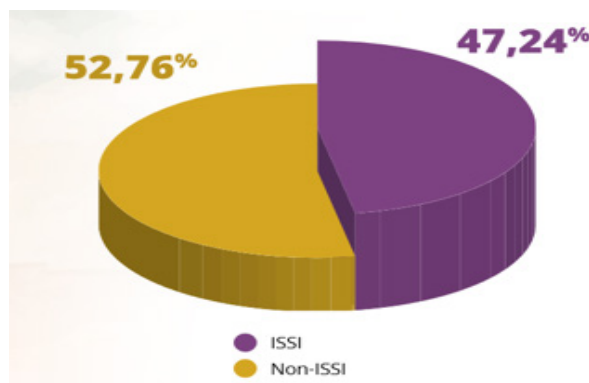


Figure 1. Comparison of Sharia Stock Capitalization to Non-Sharia Stocks
Source: OJK statistical data (processed)

Based on the Figure 1, it is interesting to study how the behavior of stock investors in Indonesia is when faced with the choice of investing in sharia stocks, while they also have the opportunity to buy

non-sharia stocks. The psychological background of an individual will also influence how that individual's economic behavior (Al Ibrahim, 2018). Included in the aspects that become considerations are the normative ethical considerations held by individuals (Asyâ, 2010). For Muslim investors, their background beliefs should also influence their investment decisions. Understanding sharia as a form of sharia literacy will influence how they trade stocks. Investment choices with considerations of benefits, not only in this world but also in the hereafter, will encourage Muslims to understand and apply sharia financial literacy.

Literature Review and Hypotheses

One of the methods often used to examine stock investment behavior is the Theory of Planned Behavior (TPB) (Ajzen, 1991). This theory is actually an extension of the Theory of Reasoned Action (TRA), which describes how individual behavior is shaped (Fishbein, 1979). The addition of Perceived Behavioral Control complements the constructs of attitude and subjective norm, providing a more comprehensive explanation of behavioral intention in human behavior (Ajzen, 1991).

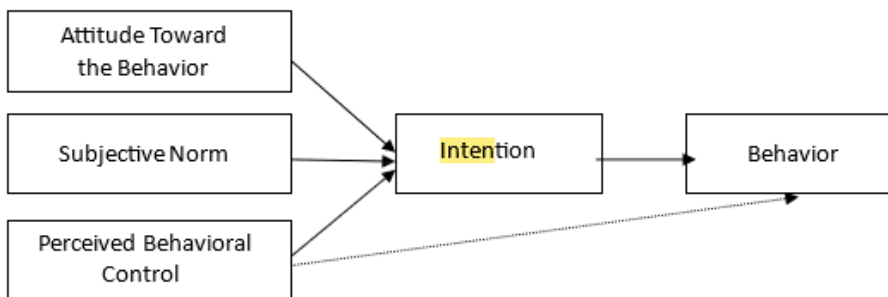


Figure 2. Theory of Planned Behavior Model

Sheppard (1998), Aliakbar (2012), and Hung (2010) agree that a relatively effective approach for predicting human behavior is the Theory of Reasoned Action (TRA), which has evolved into the Theory of Planned Behavior (TPB). These two behavioral research models are well-known among researchers and have been widely adopted in investment behavior studies. The structure of TPB constructs serves as predictors in determining investment intentions (Amritage, 2021;

Krueger, 2010; Mosalamy, 2018; Pavlou, 2006; Carpenter, 2005; East, 1993; Chang, 1998; Alleyne, 2011), which also use TPB to map out stock investment behavior as shown in Figure 2.

Behavior Intention

Based on the model in TPB, behavioral intention is an antecedent that emerges before the behavior itself is carried out in the future (Sheppard et al., 1988). Behavioral intention is assumed to be a motivational factor that influences behavior. This is reflected in how hard people are willing to try and how much effort they plan to put into performing the behavior. Individual intention greatly affects behavior and can lead to the performance of that behavior (Harrison et al., 1997). Many studies mention three factors that influence an individual's investment intention: attitude towards the behavior, subjective norms (Ajzen, 1991), and perceived behavioral control (Sheppard et al., 1988).

Attitude

Attitude is identified as the evaluative effect of a person's feelings towards a particular behavior, whether positive or negative (Ajzen, 1991). Attitude is also defined as an individual's liking or disliking of a psychological object, such as a person, institution or organization, or a specific event (Ajzen & Fishbein, 2000). Attitude is also defined as an individual's feelings (from an affective perspective) towards a particular thing or object, which contains evaluative elements (Aligarh, et al., 2021). These evaluative elements can be either positive or negative, based on the various stimuli perceived by the individual (Munandar, 2014).

The attitude within an individual is one of the factors influencing the intention to engage in stock trading among investors in Malaysia (Gopi & Ramayah, 2007). Attitude also has a significant positive effect on investment intention among the Vietnamese population (Phan & Zhou, 2014). Based on this, the first hypothesis is proposed below.

H1: Attitude toward investment is positively associated with investing intention.

Subjective Norm

Subjective norm is an individual's perception of the beliefs, values,

and rules of others in their environment that will influence their behavioral intentions, whether to engage in or avoid a certain behavior (Kartini et al., 2010). Subjective norms are related to religion through the identity within the beliefs of religious adherents, which encourages them to follow religious teachings and comply with social agreements in their culture (Arinta & Mutmainah, 2023).

Subjective norm explains the extent of an individual's motivation to conform to the thoughts (beliefs or views) of others regarding the behavior they will perform. This is referred to by Ajzen as normative beliefs (Ajzen, 2002). Subjective norm, also known as social norm, has culturally specific meanings. For example, in China, a country with a collectivist culture, subjective norms play a more significant and pronounced role (Minton et al., 2018).

According to the TPB framework, if an individual, such as a stock market investor, perceives that people around them believe they should perform a certain behavior, the individual is likely to intend to do so. Conversely, if close others disagree with the behavior, the individual is less likely to intend to perform it. Even if someone does not like the behavior, they may still engage in it if it means conforming to social pressure and influence (Venkatesh & Davis, 2000). Based on this, the second hypothesis is proposed below.

H2: The subjective norm is positively associated with investing intention.

Perceived Behavior Control

The TPB theory explains that beliefs about control within an individual that can influence behavior are represented by Perceived Behavioral Control (PBC). The PBC model was added to address the limitations of the TRA model. PBC can also be applied in contexts where individuals do not have full control over the resources needed to perform the behavior (Ajzen & Fishbein, 2000).

An individual's behavior is not solely controlled by the individual alone. There are other controls, such as the availability of resources or opportunities, and specific skills that also determine individual behavior. An individual's beliefs about the presence of factors that facilitate or, conversely, obstruct the behavior reflect

their Perceived Behavioral Control (PBC). This control indicates the level of subjective control over the performance of the behavior itself (Ajzen & Fishbein, 2000).

When an individual believes that they do not have the resources or opportunities to engage in a particular behavior, they are likely to have low intention to perform that behavior. Such conditions place the individual in a position of low Perceived Behavioral Control. The stronger the PBC within an individual, the greater the likelihood that the individual will perform the particular behavior (Ajzen & Fishbein, 2000). Based on this, the third hypothesis is proposed below.

H3: Perceived behavioral control of individual investors is positively associated with investing behavior.

Sharia Literacy

Sharia literacy, also often referred to as Islamic Financial Literacy (IFL), relates to the general definition of financial literacy. Sharia financial literacy is defined as an individual's ability to use knowledge, skills, and financial attitudes to manage financial resources in accordance with Islamic teachings (Rahim et al., 2016). This literacy is indicated by understanding general Islamic finance concepts from the perspectives of law, products, contracts (agreements), and their mechanisms (Nugroho & Apriliana, 2022).

Understanding Islamic financial values will, in principle, influence the behavior of Muslim investors significantly in various ways, particularly in their approach to investment decisions, risk management, and ethical considerations. Islamic financial values are deeply rooted in Shariah law, which prohibits certain activities and financial practices such as: *riba* (usury), *gharar* (excessive uncertainty), *haram* (forbidden) industries. A study on UAE (Uni Arab Emirates) investors found that religious beliefs play a significant role in shaping investment decisions, particularly in avoiding interest-bearing and speculative investments (Hassan Al-Tamimi & Anood Bin Kalli, 2009). The prohibition of speculative behavior and *gharar* in Islamic finance makes Muslim investors more risk-averse compared to their non-Muslim counterparts (Naughton & Naughton, 2000)

In this case, the individual behavior patterns reflected in attitudes, subjective norms, and perceived behavioral control, as constructs of the Theory of Planned Behavior, will also be determined by the presence of sharia literacy. Increased sharia literacy can strengthen positive attitudes towards Shariah-compliant financial products. A well-informed investor is more likely to appreciate the ethical and religious benefits of these products, reinforcing a positive attitude. The degree of religiosity significantly influences how a person thinks and acts. In other words, the extent to which religion affects someone's beliefs and behaviors depends on their level of religiosity. Individuals with higher religiosity are more likely to adhere strictly to religious duties, reflecting a stronger dedication to meeting these obligations (Prastiwi et al., 2023).

Sharia literacy significantly moderates the relationship between attitudes towards Shariah-compliant products and the intention to invest. Investors with higher sharia literacy exhibited stronger intentions to invest in Islamic financial products, indicating that literacy enhances the impact of positive attitudes. Sharia literacy also can heighten awareness of the social and religious expectations within a Muslim community, which may increase the influence of subjective norms in favor of Shariah-compliant investments. Investors who are well-versed in Shariah principles are more likely to conform to the expectations of their community and religious leaders, thereby increasing their likelihood of choosing Shariah-compliant investments (Lajuni et al., 2017).

Furthermore, with greater sharia literacy, an investor may feel more confident and capable of identifying and engaging with Shariah-compliant investment opportunities, enhancing their perceived behavioral control. Investors with higher sharia literacy perceived fewer barriers to investing in Shariah-compliant products. This increased control led to a higher likelihood of investment in these products, illustrating how sharia literacy can empower investors to act on their religious and ethical convictions (Ali et al., 2021). Based on this reasoning, the following hypotheses are proposed.

H4: Sharia literacy moderates the effect of attitude on the intention to invest in sharia stocks;

H5: Sharia literacy moderates the effect of subjective norm on the intention to invest in sharia stocks;

H6: Sharia literacy moderates the effect of perceived behavioral control on the intention to invest in sharia stocks.

Research Model

Based on the TPB model, investment intention is determined by factors such as attitude, subjective norms, and perceived behavioral control (Ajzen, 1991). This economic behavior model is also significantly influenced by the individual’s specific belief system. An ethical approach based on particular beliefs will shape individual behavior. In the context of Muslims, religious ethics in the form of sharia literacy can be such a distinctive pattern. This understanding can be illustrated in the following research model:

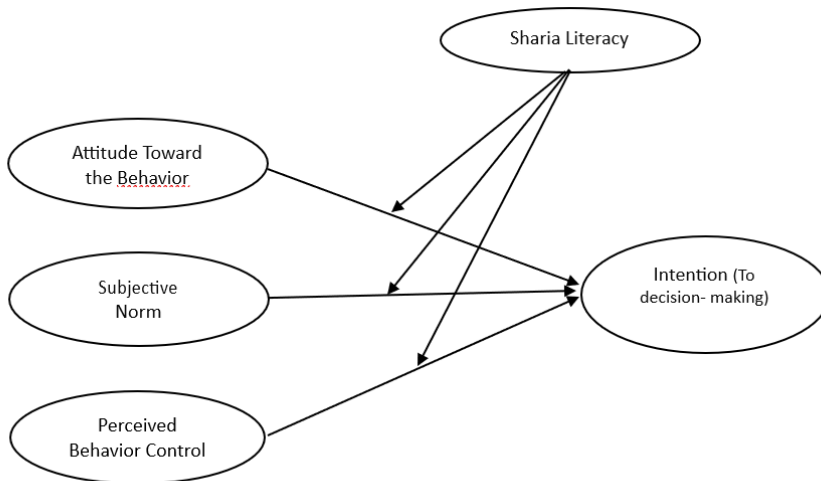


Figure 3. Research Model

Research Methodology

Data was obtained from completed questionnaires from stock investor communities. The number of questionnaires that were successfully collected and qualified was 499 respondents. This number is sufficient to meet the minimum respondent requirement

for the SEM-PLS model (Hair, 2009). Hypothesis testing in this study uses Structural Equation Modeling (SEM) based on two familiar multivariate techniques: multivariate regression and factor analysis. The Structural Equation Modeling (SEM) method used in this study is SEM-PLS (Partial Least Squares). SEM-PLS is a causal modeling approach aimed at maximizing the explained variance of latent variables by predictor latent variables (Sholihin and Dwi Ratmono, 2021). The software used to test the hypotheses in this study is SmartPLS version 3.9.

Results and Discussion

The steps involved in the SEM-PLS process are to conduct reflective measurement (outer model) and evaluate the structural model (inner model). In the evaluation stage of the reflective measurement model (outer model), validity and reliability tests are conducted using convergent validity, as well as composite reliability and AVE (average variance extracted).

Convergent validity is assessed based on the correlation between item scores and construct scores (loading factor). The convergent validity test is considered satisfactory if the loading factor value is greater than 0.70. Meanwhile, the Average Variance Extracted (AVE) should be greater than 0.50 (Chin & Todd, 1995). This value indicates sufficient convergent validity and means that a latent variable can explain (account for) more than half of the variance of its indicators on average. Based on the data analysis results, the statements for the variables have loading factor values above 0.70, with the lowest value being 0.704 and the highest value being 1.170, thus meeting the validity criteria.

The reliability test conducted in this study aims to prove the accuracy, consistency, and precision of the instruments used to measure the construct. The PLS-SEM method with SmartPLS 3.9 software indicates that to assess the reliability of a construct with reflective indicators, one can look at the values of composite reliability and Cronbach's alpha. A construct is considered reliable if both Cronbach's alpha and composite reliability values are greater than 0.7, and the value for AVE (average variance extracted) is above 0.5. Data processing to assess the composite reliability for this study can be seen in Table 2.

Table 2. Results of Reliability Testing

	Cronbach's Alpha	rho_A		Average Variance
Attitude	0.835	0.836	0.901	0.752
Behavioral Intention	0.791	0.791	0.878	0.706
Moderating Effect 1	1.000	1.000	1.000	1.000
Moderating Effect 2	1.000	1.000	1.000	1.000
Moderating Effect 3	1.000	1.000	1.000	1.000
Perceived Behavioral Control	0.872	0.894	0.921	0.795
Sharia Literacy	0.861	0.863	0.897	0.592
Subjective Norm	0.821	0.824	0.894	0.737

The results for composite reliability show that both Cronbach's alpha and composite reliability values are above 0.7, and the AVE value is above 0.5. This indicates that the questionnaire statements meet the reliability criteria.

The evaluation of the Structural Model (Inner Model) in this study is based on the results of the coefficient of determination using the adjusted R Square and hypothesis testing. The data analysis results show an adjusted R Square value of 0.451, which means that the variable intention can be explained by the variables attitude, subjective norm, and perceived behavioral control by 45.1%, and is also influenced by other variables outside of this study by 54.9%. The results for hypothesis testing are presented in Table 3.

Table 3. Results of Hypothesis Testing

H	Path	β	M	T	P Values
Statistics					
H1	Attitude -> Behavioral Intention	0.313	0.314	6.643	0.000
H2	Subjective Norm -> Behavioral Intention	0.381	0.377	7.683	0.000
H3	Perceived Behavioral Control-> Behavioral Intention	0.131	0.126	2.367	0.018

H	Path	β	M	T	P Values
H4	Attitude*Sharia Literacy -> Behavioral Intention	0.137	0.134	2.788	0006
H5	Subjective Norm*Sharia Literacy -> Behavioral Intention	-0.038	-0.039	0.846	0.398
H6	Perceived Behavioral Control*Sharia Literacy -> Behavioral Intention	-0,038	-0.032	0.692	0.489

Based on Table 3, it can be stated that attitude has a significant positive effect on behavioral intention with a T statistic value of 6.643 and a P value of 0.000. The data interpretation from this study confirms the model developed by Ajzen in the Theory of Planned Behavior (TPB), which underpins this research (Ajzen, 1991). A positive attitude towards stock investment affects investors' intention to invest in the capital market (Mathieson, 1991; Minton et al., 2018; Phan & Zhou, 2014; Ramayah & Suki, 2006; Shih & Fang, 2004; Teo & Pok, 2003). Stock investors in Indonesia have a positive attitude towards investing in sharia stocks, and this attitude influences their investment intentions. A key factor influencing the attitude of sharia stock investors is their level of optimism. This refers to the investor's belief that future events will improve. This optimism results in positive emotions about investing. Positive emotions in investors can increase their intention to invest (Holanda et al., 2021).

This sense of optimism arises from their previous investment experiences. An investor who has successfully earned significant profits by selling investments at much higher prices than the purchase price tends to have high levels of optimism. This experience sometimes places investors in a condition referred to as optimism bias (Bracha & Brown, 2012), as they have previously "gotten used to" making profits due to similar experiences. This influences their investment decision-making. In certain conditions, this overconfidence can lead to stronger and more aggressive

attitudes in investors (Wang, 2001). When stock investors have high self-confidence, it affects their behavior (Phan & Zhou, 2014). Similar views are also supported by (Glaser et al., 2013; Grinblatt & Keloharju, 2009).

This research also finds that subjective norm has a significant positive effect on the intention to invest in sharia stocks, as indicated by a T statistic value of 7.683 and a P value of 0.000. This result suggests that if the subjective norm of an investor is favorable, their intention to invest in sharia stocks will also be higher. Conversely, if the subjective norm of the investor is less favorable (decreases), their intention to invest in sharia stocks will be lower. The subjective norm has a significant positive effect on individuals' behavioral intentions (Fu et al., 2006; Ham et al., 2015; Nilsson et al., 2004; Sigit, 2006; Venkatesh & Davis, 2000). The presence of people who support an individual's opinions or behaviors greatly impacts how that individual will decide their behavior in the future. A person's belief that others are behaving in a certain way will motivate them to align their behavior with these external references.

The presence of people among an individual's family shapes their perspectives, which the individual follows. This is referred to as internal normative beliefs. Internal normative beliefs influence an individual's convictions, in addition to the role of external factors in subjective norm. The presence of people around an individual affects their normative beliefs when the individual is about to act (Burnkrant & Page Jr, 1988; Granzin & Olsen, 1991). What the family perceives as appropriate or inappropriate influences how someone's behavioral control is shaped. Subjective norms believed by stock investors in Indonesia are influenced by the presence of people in their family, both immediate and extended. This is because they interact intensely in their daily lives. Their beliefs about how they will behave in the context of sharia stock investment, whether consciously or unconsciously, are influenced by family members.

In addition to family members representing internal normative beliefs, the interaction environment of individuals as external normative beliefs also affects what individuals believe (Burnkrant & Page Jr, 1988; Granzin & Olsen, 1991; Taylor & Todd, 1995; Trisnaningsih et al., 2022). External normative beliefs refer to the

presence of external reference groups, initially limited to groups directly related to the individual, such as close friends and neighbors in the residential area. However, with time, the meaning of reference groups has expanded to include influences from both directly and indirectly interacting people or groups (Uno, 2008).

In more extreme conditions, the presence of groups around investors can lead to herding behavior. Herding behavior in investors can be described as stock transactions carried out by investors that are correlated and based on mimicking (imitating) the actions of other investors (Hirshleifer & Hong Teoh, 2003). Herding behavior is detectable when a group of investors performs buy or sell transactions in the same direction over a specific period (Indārs et al., 2019). Herding behavior will influence investors' attitudes in determining their investment choices (Banerjee, 1992; Bikhchandani & Sharma, 2000; Economou et al., 2018; Hwang & Salmon, 2004; Iihara et al., 2016).

The emergence of herding behavior, in the context of imitating the actions of other investors, becomes more pronounced during periods of increased market uncertainty and significant stock price volatility (Rahman and Ermawati, 2019). Such conditions are often associated with a high "stress" market. This can lead to market panic and negative sentiment (Chang, Cheng and Khorana, 2000; Demirer, Kutan and Chen, 2010; Philippas et al., 2013), resulting in investors (whether individual, institutional, or retail) being more likely to follow market consensus.

This study also demonstrates that the variable perceived behavioral control has an influence on the intention to purchase sharia stocks. This is indicated by a T statistic value for the perceived behavioral control variable of 2.367 with a P value of 0.018. The internal motivation of an investor, as perceived behavioral control, directs the individual to take specific actions (Armitage & Conner, 2001; Bandura, 1978, 1997; Ferla et al., 2009; Hardianto et al., 2016; Taylor & Todd, 1995; Xing & Rojewski, 2018).

The intention to invest in sharia stocks within an individual, when influenced by perceived behavioral control, is also driven by the availability of resources and facilities within the investor.

Adequate availability of resources and facilities in an individual creates behavioral control, which ultimately affects the individual's intention in their actions (Ambarwati et al., 2020; Buraimoh et al., 2023; Shuhaiber, 2016).

The next result from this study is that the variable Sharia literacy was found to moderate the relationship between attitude and intention to invest in sharia stocks. This is indicated by a T statistic value of 2.788 and a p-value of 0.006. This suggests that Sharia literacy moderates the effect of attitude on the intention to invest in sharia stocks (Din et al., 2021). Sharia literacy has a strong relationship with the intention within an individual's behavior. Someone with a high level of Sharia literacy is likely to use that understanding as a basis for their attitude before engaging in certain behaviors. Good Sharia literacy acts as guidance for their behavior (Rahman & Arsyianti, 2021) and encourages them to base their actions on Islamic values (Md Nawwi et al., 2022). The enhancement of attitude by Sharia literacy ultimately influences the individual's intention to act.

This study found that Sharia literacy does not moderate the relationship between subjective norm and intention to invest in sharia stocks. This is indicated by a T statistic value of 0.846 and a p-value of 0.398. This result can be explained by the fact that once an individual has subjective norms, originating from people in their environment (external normative beliefs), and especially from their family (internal normative beliefs), they are likely to follow the norms that prevail in that social environment (Taylor & Todd, 1995).

The strength of influence exerted by specific reference groups will determine the extent to which an individual feels compelled to follow the perceived subjective norms (Rivis & Sheeran, 2003). The stronger the influence of the reference group, the stronger the desire to conform to what the group perceives. There may also be a "coercive force" in the function of these subjective norms (Ham et al., 2015).

When such a desire is strong within the investor, their intention is more significantly influenced by subjective norms. Therefore, it is very likely that Sharia literacy does not moderate the effect of

subjective norms on the intention of sharia stock investors to invest in sharia stocks. In other words, whether or not Sharia literacy is present within the investor, they will still have the intention to invest in sharia stocks due to the influence of the subjective norms they believe in and follow.

Sharia literacy also does not moderate the effect of perceived behavioral control on the intention to invest in sharia stocks. This is evident from the data analysis, which shows a T statistic value of 0.692 and a p-value of 0.489. Investors' intentions are based on the availability of resources, opportunities, and specific skills. This is in line with Ajzen's assertion (Ajzen, 2002) that an individual's behavior is not solely controlled by themselves. There are other controls, such as the availability of resources, opportunities, and skills, that also determine individual behavior. When an investor believes they do not have the resources or opportunities to express a particular behavior, they are likely to lack the intention to act. Such a condition places the individual in a position of low behavioral control. This behavioral control reflects the level of subjective control over the performance of the behavior itself.

This finding is reinforced by this study's results on perceived behavioral control, which indicates that the presence of behavioral control among stock investors in Indonesia is in good condition and affects their investment intentions. In such a scenario, it is highly possible that Sharia literacy neither strengthens nor weakens the effect of perceived behavioral control on their intention to invest in sharia stocks. This means that Sharia literacy does not moderate the relationship between perceived behavioral control and intention to invest.

Conclusion

The results of this study indicate that the attitude of Islamic stock investors in Indonesia has a significant positive effect on investment intention with a T-statistic value of 6.643 and a P-value of 0.000. This investment intention is also influenced by subjective norms and perceived behavior control that exists within investors. This is indicated by the T-statistic value for the subjective norm variable of 7.683 with a P-value of 0.000. As well as a T-statistic value of 2.367

and a P-value of 0.018 for the perceived behavior control variable. Overall, this study supports the Theory of Planned Behavior (TPB) model, where attitudes, subjective norms, and perceived behavioral control play an important role in determining the intention to invest in Islamic stocks in Indonesia.

Meanwhile, understanding of sharia values represented in Sharia literacy is a consideration for stock investors in Indonesia in the context of their attitudes. This is indicated by the finding that Sharia literacy is proven to moderate the relationship between attitude and investment intention with a T-statistic value of 2.788 and a P-value of 0.006. As for subjective norm, the existence of Sharia literacy is not proven to moderate the relationship between subjective norm and investment intention, as well as in the relationship between perceived behavior control and investment intention.

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