

Contributions to Management Science

Nadia Mansour  
Lorenzo Mateo Bujosa Vadell *Editors*

# Islamic Sustainable Finance, Law and Innovation

Opportunities and Challenges

 Springer

# **Contributions to Management Science**

The series *Contributions to Management Science* contains research publications in all fields of business and management science. These publications are primarily monographs and multiple author works containing new research results, and also feature selected conference-based publications are also considered. The focus of the series lies in presenting the development of latest theoretical and empirical research across different viewpoints.

This book series is indexed in Scopus.

Nadia Mansour • Lorenzo Mateo Bujosa Vadell  
Editors

# Islamic Sustainable Finance, Law and Innovation

Opportunities and Challenges

 Springer

*Editors*

Nadia Mansour  
Department of Finance  
University of Sousse-Tunisia and  
University of Salamanca-Spain  
Monastir, Tunisia

Lorenzo Mateo Bujosa Vadell  
Faculty of Law  
University of Salamanca  
Salamanca, Salamanca, Spain

ISSN 1431-1941

ISSN 2197-716X (electronic)

Contributions to Management Science

ISBN 978-3-031-27859-4

ISBN 978-3-031-27860-0 (eBook)

<https://doi.org/10.1007/978-3-031-27860-0>

© The Editor(s) (if applicable) and The Author(s), under exclusive license to Springer Nature Switzerland AG 2023

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors, and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, expressed or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Springer imprint is published by the registered company Springer Nature Switzerland AG  
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

# Contents

<b>Analysis of Acceptance’s Level of Takaful Products in Iran . . . . .</b>	<b>1</b>
Mitra Ghanbarzadeh, Asma Hamzeh, and Nasrin Hozarmoghadam	
<b>Identifying and Ranking Factors Affecting the Demand for Takaful Insurance in Iran . . . . .</b>	<b>13</b>
Asma Hamzeh and Mitra Ghanbarzadeh	
<b>Nafsul Ihtisab Change Agility: A Foundation to Spread the Spirit of Change . . . . .</b>	<b>23</b>
Dwi Indriastuti Yulianingsih and Olivia Fachrunnisa	
<b>The Conceptual Framework of <i>Mustahiq</i> Entrepreneurs’ Welfare in Productive Zakat Empowerment (Sharia Maqasid Approach) . . . . .</b>	<b>33</b>
Ivan Rahmat Santoso, Syahrir Mallongi, Siradjuddin, and Muhammad Basir Paly	
<b>Economic Empowerment of Islamic Boarding Schools Through Optimization of Halal Value Chain: A Conceptual Offer . . . . .</b>	<b>45</b>
Lamya Nurul Fadhilah and Syamsuri	
<b>Developing Conceptual Framework for Public–Private Partnership Projects via Mobilization of Islamic Finance in Indonesia . . . . .</b>	<b>57</b>
Muhammad Imaduddin and Salina Hj. Kassim	
<b>Takaful on COVID-19 Coverage: Case Study of Malaysian’s General Takaful Operators . . . . .</b>	<b>83</b>
Alya Nabihah Idris and Marhanum Che Mohd Salleh	
<b>The Impact of Islamic Branding on Customer Loyalty with Customer Satisfaction as an Intervening Variable . . . . .</b>	<b>95</b>
Abdul Muizz Abdul Wadud and Layaman	

<b>Role of Islamic Microfinance in Enhancing Financial Inclusion in Bangladesh: A Systematic Literature Review</b> . . . . .	105
Niaz Makhdom Muhammad, Salina Bt. Kassim, Nur Farhah Binti Mahadi, and Engku Rabiah Adawiah Bt Engku Ali	
<b>The Application of Artificial Intelligence in Metaverse: A New Challenge on Personal Data Protection in the Financial System</b> . . . . .	117
Lia Sautunnida, Nor Razinah Mohd. Zain, Izura Masdina Mohamed Zakri, and Azhari Yahya	
<b>The Application of Mobile Banking Services by Malaysian Islamic Banks: An Evaluation of the Customers' Main Concerns</b> . . . . .	127
Siti Ainatul Mardhiah Yusof, Nor Razinah Mohd. Zain, and Azman Mohd. Noor	
<b>Islamic Equity Financing as a Financial Inclusion Enabler: Nigeria in Spectrum</b> . . . . .	135
Tesleem Olajuwon Isa Akosile, Nor Razinah Mohd Zain, Engku Rabiah Adawiah Bt Engku Ali, and Salina Kassim	
<b>Financial Inclusion in Somalia Between Reality and Expectations</b> . . . . .	145
Abdirahman Abdillahi Farah and Abdulmajid Obaid Hasan Saleh	
<b>Potential of Islamic Microfinance: Issues, Challenges, and Way Forward</b> . . . . .	157
Nur Harena Redzuan, Salina Kassim, Romzie Rosman, Mohd Faizuddin Muhammad Zuki, and Siti Saffa Shahrudin	
<b>The Role of Financial Behavior, Financial Stress, and Financial Well-Being Toward Islamic Financial Literacy</b> . . . . .	167
Aubaidillah Doloh, Nur Harena Redzuan, and Zarinah Mohd Yusoff	
<b>An Analysis of the Impact of Islamic Microfinance Among Asnaf</b> . . . . .	177
Nur Harena Redzuan, Salina Kassim, Romzie Rosman, Mohd Faizuddin Muhammad Zuki, and Siti Saffa Shahrudin	
<b>Rectifying the Downsides Pension Fund with the Critical Analysis of Triangle Justice Ecosystem: A Comparative Case Study in Indonesia and Malaysia</b> . . . . .	185
Fahmi Alamil Huda	
<b>The Effect of Financing Distribution on NPF in Islamic Banking: A Short- and Long-Term ECM Analysis</b> . . . . .	197
Pungky Lela Saputri, Hanif Ahmadi, and Diah Ayu Kusumawati	
<b>The Rahn Practices by the Real Estate Agencies in Afghanistan: The Shari'ah and Legal Analysis</b> . . . . .	209
Mohammad Tamim Siddiqi and Rusni Hassan	

**Improving Microtakaful Offering Through Stakeholders’ Collaboration: Critical Analysis Using Systematic Literature Review . . .** 219  
 Kartina Md Ariffin, Salina Kassim, Nur Harena Redzuan, and Habeebullah Zakariyah

**Sukuk’s Role in Financing Infrastructural Development During the Covid-19 Pandemic in Nigeria . . . . .** 231  
 Abubakar Abubakar Usman and Auwal Adam Sa’ad

**Identifying Factors of Financial Exclusion of Rural Farmers: Case Study in Ulu Dong, Raub, Pahang . . . . .** 245  
 Siti Saffa’, Aziq Arifin, Abdullah Hafiz, and Nur Harena

**Roles of Islamic Financial Literacy on Financial Decision-Making: Building a Conceptual Framework Based on the Theory of Planned Behavior and Social Cognitive Theory . . . . .** 255  
 Auni Zulfaka and Salina Kassim

**An Evaluation of Cash Waqf Deposit Performance Through Islamic Banks in Bangladesh . . . . .** 267  
 Mohammad Kamal Uddin

**Takaful Plan for E-Hailing: A Comparison Between the Available Private Motor Vehicle Takaful Plans in Malaysia . . . . .** 277  
 Fadhilah Abdullah Asuhaimi, Ahmad Khaliq, and Fatimah Noor Rashidah Mohd Sofian

**The Role of Religiosity and Hardworking on Human Resource Performance of Baitul Maal wat Tamwil Ummat Sejahtera Abadi . . . . .** 287  
 Annisa, Widodo, and Olivia Fachrunnisa

**Improving Business Success Through the Use of Accounting Information and Business Capital Management . . . . .** 301  
 Rita Rosalina and Luluk Muhimatul Ifada

**Islamic Communication in Outbound Management Training . . . . .** 317  
 Devina Aprilia Nur Aini and Olivia Fachrunnisa

**Addressing Negative Spillover Effects of Overcrowding in Malaysian Prisons: Can Islamic Financial Institutions Play a Role? . . . . .** 323  
 Siti Nursyawani binti Misman, Mohd Ariff bin Mohd Salimin, Rahimah binti Farjan Ali, Ieman Huda binti Adnan, Salina binti Kassim, and Syed Marwan Mujahid bin Syed Azman

**Evaluation on the Practice of Ijarah for Vehicle Financing and Its Regulation in Islamic Financial Institutions in Sri Lanka . . . . .** 335  
 M. H. M. Abdullah and Rusni Hassan



<b>Enhancing Access to Finance Amongst Asnaf Micro Entrepreneurs: How Can Islamic Fintech in Zakat Institutions Play a Role? . . . . .</b>	<b>345</b>
Farah Farhana Jauhari, Syarah Syahira Mohd Yusoff, and Salina Kassim	
<b>Optimizing Digitalpreneurship through Digital Skills and Platform Strategy on MSMEs in Central Java . . . . .</b>	<b>359</b>
Diah Ayu Kusumawati and Pungky Lela Saputri	
<b>Sharia Investment Decision-Making: Gender Lens Investing, Fear of Missing out, and Islamic Financial Literation . . . . .</b>	<b>367</b>
Puspa Devi Maharani, Lathiefa Rusli, Kurnia Rahman Abadi, and Siti Syarah Fadhilah	
<b>How Do Islamic Banks Report and Distribute Zakat in Malaysia? . . . . .</b>	<b>377</b>
Nurul 'Iffah M. A. Zaaba and Rusni Hassan	
<b>The Role of Libyan Zakat Foundation in the Achievement of Social and Economic Development (Zliten Zakat Foundation as a Model) . . . . .</b>	<b>387</b>
Salem Faraj Gamo, Abdulmajid Obaid Hasan Saleh, and Deden Misbahudin Muayyad	
<b>Islamicity and Reporting Performance on Islamic Banking Financial Performance in Indonesia Post-COVID-19 (Period: 2019–2021) . . . . .</b>	<b>397</b>
Cahaya Fitriana Dewi Amala, Ely Windarti Hastuti, Muhammad Ridlo Zarkasyi, Kurnia Rahman Abadi, and Yaafiatal Hasanah	
<b>The Effect of Institutional Theory Toward Shariah Audit Practice in Malaysian Takaful Industry . . . . .</b>	<b>409</b>
Noor Aimi Mohamad Puad, Nurdianawati Irwani Abdullah, and Zurina Shafii	
<b>Assessment of Financial Performance of RSI Sultan Agung Semarang Through the <i>Maqashid</i> Sharia Concordance (MSC) Approach . . . . .</b>	<b>427</b>
Muhammad Ali Ridho and Luluk Muhimatul Ifada	
<b>Impact of Electronic Service Quality on Customer Satisfaction of Islamic Banks in Pakistan . . . . .</b>	<b>435</b>
Altaf Ahmad, Zishan Naseer, and Habeebullah Zakariyah	
<b>Maqashid Sharia Framework: Sharia Financial Inclusion Through Indonesian Sharia Mobile Bank . . . . .</b>	<b>445</b>
Andiyani Kurnia	
<b>Exploration of Sharia Bank Services in Muhammadiyah's Higher Education Students . . . . .</b>	<b>455</b>
Ummu Salma Al Azizah and Bella Jastacia	

**Is the Islamic Religiosity Become the Cashless Behavior Among Muslim Community?** . . . . . 465  
 Chindy Chintya Cahya and Khoirul Umam

**The Presentation and Disclosure of Islamic Banks’ Financial Statements: A Comparative Analysis of IFRS and AAOIFI Financial Accounting Standards** . . . . . 473  
 Pazilaiti Ababaiké, Romzie Rosman, and Ashurov Sharofiddin

**Indonesia’s South-South Cooperation in Promoting Sharia Economic Development in Sudan** . . . . . 483  
 Agata Nina Puspita, Ica Cahayani, and Ahmad Mujaddid Fachrurreza

**Significance and Potential Role of the Islamic Banking and Finance Services in Bangsamoro Autonomous Region in Muslim Mindanao** . . . . 495  
 Jawad Z. Salic

**ESG Practices and Firm Risk: Evidence from Malaysia** . . . . . 501  
 Nik Anis Idayu Nik Abdullah and Razali Haron

**The Muhammadiyah Waqf Organization: Prospects and Challenges** . . . 511  
 Junarti, Isnan Hari Mardika, Syed Musa Alhabshi, and Amirsyah

**Strategies for Improving Cash Waqf Fundraising Through Optimization of Cash Waqf Literacy in Indonesia** . . . . . 523  
 Nurul Rahmania and Hartomi Maulana

**Measuring the Customer’s Perception of the Use of Financial Technology in Algerian Islamic Banks** . . . . . 533  
 Taalbi Abdelhak, Ashurov Sharofiddin, and Nur Farhah Binti Mahadi

**Current Trends and Sustainable Development of Warehouse Logistics** . . . . . 543  
 P. Reznik Nadiia, A. Demchenko Tetyana, A. Slatvinskyi Maksym, V. Kosmidailo Inna, M. Khodakivskyi Volodymyr, V. Bugaychuk Vita, and V. Valinkevych Nataliia

**Exploring CSFs for Application of Six Sigma Programs: An Empirical Evidence from Small-Scale Industries (SSIs)** . . . . . 551  
 T. K. Murugesan, K. P. Jaheer Mukthar, V. Raju, Nelson Cruz-Castillo, Rolando Remigio Sáenz Rodríguez, and Lilia Uribe-Pomachagua

# Sharia Investment Decision-Making: Gender Lens Investing, Fear of Missing out, and Islamic Financial Literation



Puspa Devi Maharani, Lathiefa Rusli, Kurnia Rahman Abadi,  
and Siti Syarah Fadhilah

**Abstract** Gender lens investing (GLI) has garnered increasing global attention in recent years. Gender lens investing falls under the gender equality targets contained in Sustainable Development Goals (SDGs) by 2030. Gender lens investing is an investment strategy that integrates gender analysis into investment analysis of sharia investment decision-making (SIDM) and behavior. Fear of missing out (FOMO) is an investment strategy that integrates analysis of investor behavior in decision-making and investment behavior based on trends and joining friends. Meanwhile, Islamic financial literacy (IFL) is an individual's understanding of fund management, contracts in Islamic finance, and investment. This study aims to determine and measure the effect of GLI, FOMO, and IFL on SIDM. The research data is primary data (questionnaire) with a total sample of 128 respondents who are Islamic capital market investors. The method used is a quantitative method, with the help of the SPSS application in processing data. The results show that there is an influence between FOMO and IFL on sharia SIDM. Meanwhile, GLI has no effect on sharia SIDM.

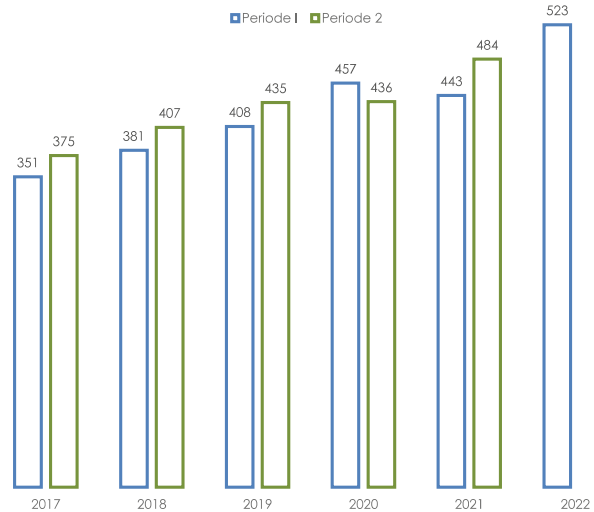
## 1 Introduction

The era of the industrial revolution 4.0 is a revolution in automation and collaboration of cyber technology that can facilitate one's activities quickly. The perceived impact is that it makes it easier for new investors to invest online. One way to improve one's welfare can be achieved by investing. A person carries out investment activities with the aim of a better life in the future (Przybylski et al. 2013; Setyowati et al. 2018). Meanwhile, the sharia financial sector, which is based on profit sharing, is more resistant to crises and has managed to get through the crisis well. The rapid development of Islamic investment in financial markets in Indonesia and globally

---

P. D. Maharani (✉) · L. Rusli · K. R. Abadi · S. S. Fadhilah  
University of Darussalam Gontor, Jawa Timur, Indonesia  
e-mail: [puspadevimaharani@unida.gontor.ac.id](mailto:puspadevimaharani@unida.gontor.ac.id)

**Fig. 1** Development of Sharia Stocks. Source: OJK Sharia Stock Statistics 2022



has an impact on reducing the role of conventional finance. According to data released by the Financial Services Authority/*Otoritas Jasa Keuangan* (OJK) as of July 1, 2022, it shows an increase every year from 2017 to 2022. In 2017, period 1 showed 351, 2018 showed 381, 2019 showed 408, and 2020 showed 457. In 2022, the first quarter recorded the List of Sharia Securities/*Daftar Efek Syariah* (DES) of 524, which is higher than the previous year which was only 484 (Statistik Saham Syariah - Juni 2022 (ojk.go.id)) (Fig. 1).

Sharia stock investment decision-making is based on Islamic financial literacy (IFL), fear of missing out (FOMO), and gender lens investing (GLI). Islamic financial literacy is an individual's understanding of fund management and contracts in Islamic finance and investment (Abidin et al. 2018). Islamic financial literacy is knowledge about Islamic finance used in financial decision-making (Hidajat and Hamdani 2016). Based on the OJK's National Financial Literacy Survey/*Survei Nasional Literasi Keuangan* (SNLK) in 2019, the financial literacy rate is 38.03% in millennials who do not have good enough financial literacy. According to OECD (Organization for Economic Co-operation and Development) data, every month around 51.1% of income is for monthly needs, 10.7% is saved, and 35.1% is spent on houses (Masyrafina 2020). Islamic financial literacy affects financial behavior and investment choices, according to research done on FEM students at IPB University. Investment choices are directly impacted by financial behavior, which can also mitigate the impact of Islamic financial literacy on such choices. In addition, the level of Islamic financial literacy also has a direct influence on increasing the use of (Rahman and Arsyianti 2021) Sharia financial technology.

Investment decisions made by investors, in addition to being influenced by financial literacy, are also influenced by the FOMO. The phenomenon of FOMO can be intended with an action that is desired to meet psychological needs (Przybylski et al. 2013). FOMO is illustrated by one's desire to keep abreast of

existing trends to stay connected with what others are doing. A large number of people making investments is an increased trend that has contributed to the rise in investors. Investment decision-making is influenced by the solicitation or influence of others. According to Dianka (2022), in general, millennial and millennial generation investors are still just participating or involved in the FOMO in making investment decisions. The prospect of the theory explains that individuals do not always perform actions that fit the criteria of financial theory in risk and certainty, but individuals also involve psychological factors as well as uncertain attitudes to rational choices (Kahneman and Tversky 1979).

Gender affects sharia investment decision-making. Due to the hierarchical nature of gender, it exacerbates existing social and economic inequities (who.int). In investment decision-making, men and women show different results in investment decision-making. While males invested in hazardous assets if they were risk takers, divorced, older, and college-educated, women were more likely to keep risky assets if they were expecting an inheritance, worked, and had higher net worth (Embrey and Fox 1998). According to research by Chavali and Mohanraj (2016), sex outcomes are demographic factors that affect investing patterns. The results show that there is a gender gap whenever a woman has to take the risk of investing in existing and new financial products. The study's findings indicate that male investors make overconfident selections that are positively and significantly significant. However, the overconfident and dispositional effects were not significant when making investment decisions (Adil et al. 2022). In women making investment decisions, psychological factors play a major role focused in behavioral finance, so their investment decisions tend to choose low-risk investment paths.

## 2 Literature Review

### 2.1 Background Theory

#### 2.1.1 Behavioral Finance Theory

Behavioral finance can be interpreted as the application of psychological science in the discipline of finance (Pompian 2006). Before making investment decisions, the investor should consider the potential risks. Return and risk are inextricably linked, which is why high risk equals high return. In actuality, all investors seek high returns at low risk. Investment decisions are influenced by aspects of investors' attitudes that are rational and irrational, which are part of the behavioral finance theory. Financial behavior is a reflection of the activities carried out by individuals that show positive results as well as negative behaviors. Financial behavior that shows positive results includes managing finances well, being able to set aside savings or funds for emergencies, and planning long-term goals. Meanwhile, financial behavior with negative results, including waste, only relies on pension funds and avoids discussions about financial understanding. *Behavioral finance* theory is a theory that is a

reflection of the activities carried out by individuals to determine positive and negative things (Prosad et al. 2015). Previous research shows that investors make investment decisions based on their abilities and preferences to be able to control uncertain events in the future, as well as overestimate their skills and abilities. This bias makes investors uncontrolled to make actual investment decisions nor can they influence those outcomes (Borges and Janissek-Muniz 2018).

### 2.1.2 Prospect Theory

This idea clarifies how a person makes decisions in the face of uncertainty. The prospect theory was developed by two psychologists, Kahneman and Tversky (1979), which basically covers two disciplines, namely, psychologists and economics. This idea explains how a person chooses choices when faced with uncertainty. The prospect theory explains that individuals do not always perform actions that fit the criteria of financial theory in risk and certainty, but individuals also involve psychological factors and uncertain attitudes for rational choices. The prospect theory describes the bias that influences IDM, namely, FOMO. In making decisions investors do not always play a rational role and have investment knowledge, but there are psychological aspects that make irrational decisions.

## 2.2 Previous Studies

Some of the previous studies that can be used as a reference in the study are presented as follows:

1. Shiva et al. (2020) Variables: Investment Decisions, No Mobile Phobia (NOMOPHOBIA), FOMO. Method: PLS-SEM in SmartPLS version 3.3.2. The results show that retail investors are afraid of the absence of investment information and are less comfortable with news on smartphones.
2. Dewi, Febrian, Effendi, and Anwar (2020) Variables: Financial Literacy, Knowledge, Skills, Attitude and behavior". Methods: Quartile Method, Analysis chi squared. The findings indicated that there was a strong correlation between financial management activity and financial attitudes as well. However, there was little correlation between behavioral finance and financial expertise.
3. Pradikasari and Isbanah (2018). Variables: Financial Literacy, Illusion of Control, Overconfidence, Risk Tolerance and Risk Perception, and Investment Decisions. Method: Multiple Linear Regression Analysis Technique. The findings demonstrate how risk tolerance and changeable overconfidence impact investment decisions. Financial literacy, the sense of control, and risk perception, however, have no bearing on investing choices.

### 2.3 Conceptual Framework

The following is an illustration that shows the relationship between independent variables, namely, IFL, FOMO, and GLI with dependent variables, namely, SIDM, in the 4.0 era in millennial and zillennial sharia investors in Indonesia (Image 1).

#### 1. The Effect of IFL on SIDM

High financial literacy will lead to positive things that have an impact on the life of the individual. And vice versa, investors who do not have financial knowledge will make bad investment decisions. This is in accordance with the theory of *behavioral finance*, a theory that is a reflection of the activities carried out by individuals to determine positive and negative things. Previous research that has been carried out states that individuals with a good level of financial literacy can analyze risks that will occur in the future where these risks can have a detrimental impact, and good financial literacy will have a good effect in making decisions and can plan finances appropriately (Pradikasari and Isbanah 2018; Setyowati et al. 2018).

**H1:** IFL has an impact on SIDM.

#### 2. The Effect of FOMO on SIDM

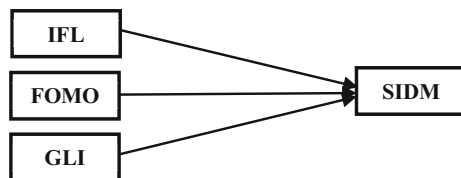
FOMO is a phenomenon where a person is afraid of missing an event or trend that is happening, in order to meet his psychological needs. FOMO has an impact such as fear, anxiety, and even worry about missing out on events that occur. This phenomenon is supported by the prospect theory, which considers that human behavior is considered strange and contradictory in making decisions and not always the decisions taken are rational (Kahneman and Tversky 1979). Psychological factors are very influential for a person especially in terms of decision-making. Previous research has said that many investors neglect the time they have just to get information and just want to follow trends on that information; this shows that FOMO affects investors' emotional and psychological decisions in making investment decisions (Shiva et al. 2020; Przybylski et al. 2013).

**H2:** FOMO has an impact on SIDM.

#### 3. The Effect of GLI on SIDM

Gender has an influence but is not significant to the intention of transacting stocks. Meanwhile, financial knowledge has been proven to affect gender relations

**Image 1** Conceptual framework



with the intention to transact shares, both selling and buying, namely, strengthening the positive influence of gender on transaction intentions. The better the understanding of financial knowledge, both male and female investors will cause transaction intentions, thereby reducing the number of investors (Hidayah 2018). Another viewpoint, however, contends that financial decisions are always made in the context of the situation and do not differ based on gender. In addition, based on the results of an evaluation from the German Institute of Economic Research, a total of 8000 men and women stated that as much as 38% invested in risky investment products and 45% for men, although men still dominate, according to this study, the number of women who choose low-level investments is not due to psychogenic factors (emotional sensitivity) but because they generally have half the income of men. The National Center for Financial Education revealed that the influence of women's less varied tastes in determining investment risk is more influenced by lack of financial literacy than emotional factors, whereas in the survey women showed low levels of financial literacy compared to men (Ujang 2022).

**H3:** GLI has an impact on SIDM.

### 3 Methodology

We use quantitative methods with a probability sampling approach that uses the simple random sampling technique. Primary data were used in the study, including 128 respondents who were East Javan sharia investors from the millennial and zillennial generations. Data gathering methods included questionnaires. Questionnaire was distributed via Google Form. Meanwhile, the sample of the study was 128 investors. The genders representing this study were women (N 76 = 59.4%) and men (N 52 = 40.6%). To answer the hypothesis, data analysis techniques use statistics with the help of the IBM SPSS V26 program.

## 4 Results and Analysis

### 4.1 Results

Table 1 above demonstrates that the coefficient, or  $R$ , has a value of 0.608. As for the  $R$  square of 0.370, that is the square result of the correlation coefficient

**Table 1** Model summary

Model	$R$	$R$ square	Adjusted $R$ square	Std. error of the estimate
1	0.608 <sup>a</sup>	0.370	0.355	4.945

<sup>a</sup>Predictors: (constant), SFL, FOMO, GLI



**Table 2** ANOVA<sup>b</sup>

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	1779.762	3	593.254	24.261	0.000 <sup>a</sup>
	Residual	3032.230	124	24.453		
	Total	4811.992	127			

<sup>a</sup>Predictors: (constant), SFL, FOMO, and GLI

<sup>b</sup>Dependent variable: IDM

**Table 3** T-test results

Model	B	Std. error	Beta	t	Sig.
IFL → SIDM	0.497	0.085	0.425	5.871	0.000 <sup>***</sup>
FOMO → SIDM	0.258	0.049	0.384	5.318	0.000 <sup>***</sup>
GLI → SIDM	-0.715	0.898	-0.057	-0.796	0.427

\* 10% level, \*\* 5% level, \*\*\* 1% level

( $0.608 \times 0.608 = 0.370$ ). IFL, FOMO, and GLI variables have an influence at 0.370 or 37.0% ( $r^2 \times 100\%$ ), while other variables have an influence at 63.0% ( $100\% - 37.0\%$ ).

It is exhibited in Table 2 that the F calculation is 24.261, and for the significance figure, it is  $0.000 < 0.05$ . Thereover, Ho was rejected and H1 was accepted. This indicates that the variables of IFL, FOMO, and GLI have a linear relationship to the variables of SIDM.

The significance value of the link between each free variable and the bound variable is shown in Table 3 above, and it can be observed that if the significance value calculated is 0.05, the free variable significantly affects the bound variable. In other words, the significance value calculated =  $0.000 < 0.05$  indicates that the variable IFL significantly influences SIDM. The SIDM variable is significantly impacted by the FOMO variable (sig. Calculate =  $0.000 < 0.05$ ). Significance value calculated =  $0.427 > 0.05$ , indicating that there is no significant relationship between the GLI variable and SIDM.

## 4.2 Analysis

In this study, we focus on the variables of IFL, FOMO, and GLI. The findings support hypothesis 1, which states that Islamic financial literacy has a significant impact on SIDM (see Table 4). The SIDM variable benefits from the influence of the IFL variable. H1 is therefore accepted in this investigation. SIDM will be influenced by investors' IFL levels. SIDM will get better the more IFL there is. According to prior study, people with a high degree of financial literacy are better able to assess future risks, which will have a positive impact on their ability to make wise decisions and organize their finances (Pradikasari and Isbanah 2018; Setyowati et al. 2018). Vice versa, the lower the IFL of investors, the lower the SIDM. According to

**Table 4** List of additional hypotheses involved in this study

Hypothesis		Sig. value ( <i>p</i> )	Result
H <sub>1</sub>	Islamic financial literacy has an impact on sharia investment decision-making	$p < 0.01$	Accept H <sub>1</sub>
H <sub>2</sub>	Fear of missing out has an impact on sharia investment decision-making	$p < 0.01$	Accept H <sub>2</sub>
H <sub>3</sub>	Gender lens investing has an impact on sharia investment decision-making	$p > 0.1$	Reject H <sub>3</sub>

(Nuradibah et al. 2018; Rooij et al. 2011), individuals engaging in activities are influenced by their level of literacy, and stress brought on by bad money management is more prevalent when a person has low literacy levels.

The result shown in the H3 hypothesis is that there is a significant influence on the FOMO on SIDM (see Table 4). The SIDM is positively impacted by the FOMO variable. Then H<sub>3</sub> in this study is accepted. It shows that the trend of jumping on the bandwagon in investing in millennials affects investment decisions. FOMO is a phenomenon where a person is afraid that he will miss an event or trend that is happening, in order to meet his psychological needs. The prospect theory, which holds that not all judgments are rational and that human behavior in choosing them is unusual and paradoxical, is the theory that correlates to the FOMO variable. The findings of this study are consistent with earlier studies, namely, (Przybylski et al. 2013; Shiva et al. 2020) which states that investors cannot be separated from smartphones to get information with the aim of not missing out on information and existing trends; it can be seen that emotional and psychological factors affect investors especially in choosing investment decisions.

The results shown in hypothesis H3 are that GLI has no significant effect on IDM (see Table 3). So H3 in this study is rejected. The GLI of investors does not affect one's IDM and therefore has no impact on IDM. The investment decision-making of millennial and zillennial investors is not influenced by gender, both male and female. Gender is not a reason for investment decision-making. This is consistent with earlier research by Putri and Hamidi (2019), which found that gender has no impact on SIDM. Research conducted by Tanusdjaja (2018) shows that the gender factor does not significantly affect investment decisions.

## 5 Conclusion and Recommendation

### 5.1 Conclusion

In accordance with the analysis and discussion of hypothesis testing, several conclusions can be submitted which are the answers to the problems posed in this study, namely:

1. IFL has a positive and significant effect on SIDM. This indicates that the ability to manage money and make investment decisions will improve with more financial literacy.
2. FOMO has a positive and significant effect on SIDM. This indicates that investment decisions are impacted by the trend of investing in millennials.
3. GLI has no significant effect on SIDM. This means that a person's gender is not a benchmark for making an investment decision.

## 5.2 Recommendation

People need to realize the importance of financial literacy in fund management because this is the main factor in making an investment. Investors must increase their knowledge on financial literacy and actively observe market situations and conditions and the risks involved in investing. When investors have a high knowledge of financial literacy, the level of fear for making investment decisions will be below.

## References

- Abidin J, Mulyati T, Yunansah H (2018) Literacy learning: strategies to improve mathematics, science, Reading and writing literacy skills. Bumi Aksara, Jakarta
- Adil M, Yogita S, Ansari MS (2022) "How financial literacy moderate the association between behaviour biases and investment decision?" *Asian. J Account Res* 7(1):17–30
- Borges NM, Janissek-Muniz R (2018) Individual environmental scanning as a barrier to collective processes in organizations a view based on the illusion of control. *Emeraldinsight* 25(3): 321–335
- Chavali K, Mohanraj MP (2016) Impact of demographic variables and risk tolerance on investment decisions: an empirical analysis. *Int J Econ Financ Issues* 6(1):169–117
- Dianka AA (2022) Kripto Kebanjiran Investor Muda, FOMO? - [Trenasia.com](https://trenasia.com)
- Dewi VI, Febrian E, Effendi N, Anwar M (2020) Financial literacy among the millennial generation: relationships between knowledge, skills, attitude and behavior. *Australas Account Bus Financ J* 14(4):24–37
- Embrey LL, Fox JJ (1998) Gender differences in the investment decision-making process. Available at SSRN: <https://ssrn.com/abstract=95490>
- Handoyo S, Dwi R, Widarno B (2019) The effect of overconfidence, illusion of control, anchoring, loss aversion on investment decision making by Unisri students as novice investors. *J Account Inf Technol Syst* 15(4):11–21
- Hidajat T, dan Hamdani M (2016) Measuring Islamic financial literacy. In: *The 2nd International Research Conference on Business and Economics (IRCBE)*. Diponegoro University (UNDIP), 3–4 August 2016, Semarang, Indonesia, vol 8, pp 1–4
- Hidayah N (2018) Gender, financial knowledge, and stock farming intentions. *Sci J Asian Bus Econ* 12(2):7–15
- Kahneman D, Tversky A (1979) Prospect theory: an analysis of decision under risk. *J Econom Soc* 47(2):263–292

- Masyrafina I (2020) "OJK: Literasi Keuangan Milenial Masih Rendah." *REPUBLIKA.Co.Id*. Retrieved (<https://www.republika.co.id/berita/qkpmz1383/ojk-literasi-keuangan-milenial-masih-rendah>)
- Nuradibah M, Thinagan MD, Sabri MF, Ho CSF (2018) A preliminary evaluation of financial literacy in Malaysia. *J Wealth & Financial Planning* 5:4–16
- Pompian MM (2006) Behavioral finance and wealth management: how to build optimal portfolios that account for investor biases. Canada: John Wiley & Sons, Inc., Hoboken, New Jersey
- Pradikasari E, Isbanah Y (2018) Pengaruh Financial Literacy, Illusion of Control, Overconfidence, Risk Tolerance, Dan Risk Perception Terhadap Keputusan Investasi Pada Mahasiswa Di Kota Surabaya. *Jurnal Ilmu Manajemen (JIM)* 6(4):424–434
- Prosad JM, Kapoor S, Sengupta J (2015) Theory of behavioral finance. handbook of research on behavioral finance and investment strategies: decision making in the financial industry. A volume in the *Advances in Finance, Accounting, and Economics (AFAE)*
- Przybylski AK, Murayama K, Dehaan CR, Gladwell V (2013) Motivational, emotional, and behavioral correlates of fear of missing out. *Comput Hum Behav* 29(4):1841–1848. <https://doi.org/10.1016/j.chb.2013.02.014>
- Putri WW, Hamidi M (2019) Pengaruh Literasi Keuangan, Efikasi Keuangan, dan Faktor Demografi terhadap Pengambilan Keputusan Investasi (Studi Kasus pada Mahasiswa Magister Manajemen Fakultas Ekonomi Universitas Andalas Padang). *Jurnal Ilmiah Mahasiswa Ekonomi dan Manajemen* 4(1):398–412
- Rahman F, Arsyianti LD (2021) Islamic financial literacy and influence on student financial investment and behavior. *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah (Journal of Islamic Economics)* 13(2):289–312
- Setyowati A, Harmadi, Sunarjanto (2018) Islamic financial literacy and personal financial planning: a socio-demographic study. *J Financ Bank* 22(1):63–72. <https://doi.org/10.26905/jkdp.v22i1.1625>
- Shiva A, Narula S, Shashi SK (2020) What drives retail investors' investment decisions? Evidence from no Mobile phone phobia (nomophobia) and investor fear of missing out (I – Fomo). *J Content Community Commun* 11:231–246
- Tanusdjaja H (2018) Keputusan Investasi Investor Individu Berdasarkan Kopetensi, Overconfidence, dan Pendidikan. *Jurnal Muara Ilmu Ekonomi dan Bisnis* 2(1):234–244
- Suherman U, Nugraha, Disman, Mayasari (2022) The influence of religious psychology on stock investing: examining the influence of Mhasiswa Investor Religiosity on Shama's Investment Decisions in West Java, Indonesia moderated by gender, age, education, and income dimensions by financial literacy. *Italiensich* 12(2):620–630
- van Rooij M, Lusardi A, Alessie R (2011) Financial literacy and stock market participation. *J Financ Econ*, Elsevier 101(2):449–472