Does altruistic impact investment decision? evidence from Indonesia

Farah Amalia,[1] Adellia Putriani,[2]
Liana Mangifera[3], Yohanes Suhardjo[4]

[1,2]Universitas Islam Negeri Walisongo Semarang, Indonesia
[3]Universitas Muhammadiyah Surakarta, Indonesia
[4]Universitas Semarang, Indonesia
email: farhasjmi@walisongo.ac.id

Abstract

Purpose - The purpose of this study was to examine the effect of altruistic and egoistic as behavioral variables on socially responsible investment decision. This paper also investigates the aspects that investors consider the most in making decisions.

Method - A total of 108 sample respondents were selected using a purposive sampling technique. The criteria used are capital market study group students who have at least one ethical stock in their portfolio. Conjoint and regression analysis were involved to conduct the research.

Result - The results showed that the investment attributes that investors prioritize are industry focus followed by return and risk. Furthermore, the most preferred industry focus is 'sustainable asset' followed by 'no focus' and 'arms and defense'. Investment preferences in sustainable assets are based on the altruistic value of investors. Altruism has been shown to have a significant positive effect on investors' decisions to invest their funds in stock which belong to socially responsible investment. On the other hand, the egoistic value has a significant negative effect on the decision to invest in socially responsible investment.

Implication - By looking at the research result, companies as stock issuers may consider to create or make their stock sustainable. This research would be beneficial for investment analysts or consultants in providing advice for their clients.

Originality - This research uses altruistic and egoistic variables as psychological variables in investment decisions. In addition to using behavioral finance, it also involves value-belief-norm theory to explain the phenomena and discuss altruistic value in Islam perspective.

Keywords: altruistic; egoistic; investment decision

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Farah Amalia, Adellia Putriani, Liana Mangifera

Introduction

The classical asset pricing model assumes that investors base their investment decisions solely on risk and return (Lintner, 1975) (Sharpe, 1964). More recent theoretical models suggest that values are reflected in investment decisions (Fama & French, 2007) (Heinkel et al., 2001). Empirical evidence shows that investors incorporate religious and political values as well as social norms in their investment decisions (Kumar et al., 2011) (Mahastanti et al., 2021). Over the last decade, socially responsible investment has grown to become an important part of the market. Indonesia has started to launch a socially responsible investment product since 2009 under the name SRI-KEHATI stock index. The constituents of this index are companies that pay great attention to social and environmental issues with no core business in the sectors of pesticides, nuclear, weapons, tobacco, alcohol, pornography, gambling, genetically modified organisms and coal mining. Several studies have shown that the performance of socially responsible investment stocks in various countries is lower than the performance of their counterparts, namely sin stocks (Castro et al., 2020) (Tala & Odden, 2020). Interestingly, with low performance, the demand for socially responsible investment stocks is increasing significantly following the increase in the number of investors. This indirectly shows that investors do not only consider economic returns in their investment decisions. Several experimental studies have confirmed the existence of this non-economic return motive. (Wins & Zwergel, 2016) and (Wiesel & Kristian, 2017) show that social preferences influence decisions to invest responsibly. However, (Døskeland & Pedersen, 2016) conclude that the pecuniary motive is the main determinant of the decision to invest responsibly. (Statman, 2008) confirms these two motives in interviews with socially responsible investors. Interviewed investors have a general preference for doing good which manifests, for example, in the contribution of time and money to a good cause. However, most responsible investors expect returns similar to conventional investments and few are willing to forgo returns for social responsibility.

(Schwartz, 1992) shows that financial and non-financial motives for investing responsibly are closely related to psychological values, altruism, and individual egoism. (Stern, 2000) bases the arguments and empirical tests of researchers on the theory of value-belief-norms. This theory states that an altruistic individual who believes that (1) things he values are threatened and (2) his behavior helps in avoiding these threats, feel morally obligated to act. Value-belief-norm theory has been successfully applied to explain pro-environmental behavior, for example reducing private car use, or household CO_2 emissions (Nordlund & Garvill, 2003). For egoism, the literature applying the value-belief-norm theory shows that egoistic values are negatively related to pro-environmental behaviors, such as recycling, reducing private car use, and household CO_2 emissions (Nordlund & Garvill, 2003).

This study attempts to explain the phenomenon, namely the occurrence of a significant increase in demand for socially responsible investment shares with the fact that the performance of socially responsible investment stocks is lower than the performance of its opposite stock, namely sin stocks; while the standard finance theory explains that the main motive for investing is economic motive, namely return and risk. Is it true that socially responsible investment investors are willing to sacrifice economic returns and accept the risk of losing opportunity costs in order to get satisfaction or increase of happiness for their contribution in solving social and environmental issues? If so, then with a psychological and sociological approach, what values influence investors' investment decisions? Do investors include altruistic or egoistic values in their investment decisions? How can behavioral finance theory and value-belief-norm theory explain this phenomenon?

Research that combines finance and psychology on this topic has been carried out in developed countries, but to the best of our knowledge this study is rarely available in developing countries, especially Indonesia. There is lack of clarity whether the same variable has the same effect in the context of developed and developing countries. Besides, Indonesia is a country with a majority of Muslim population. Islam teaches sacrifice, a concept that is identical to the value of altruism. Therefore, in the section of discussion, the

results will be analyzed from an Islam perspective regarding altruism and investment decisions. This becomes another novelty of this research.

Literature Review

Behavioral finance states that psychological and sociological aspects are involved in various financial decisions, including investment decisions (Pompian, 2012). Initially, investors tried to be rational by only considering returns and risks, but as time went on, cognitive complexity could not separate them from the human side as social beings who care about nature and the surrounding environment (Kalantari, 2010). (Riedl & Smeets, 2017) explain that non-financial motives played more roles than financial motives for owned SRI funds. Using the cluster analytic approach, the researchers found that the investor segment that prioritized financial returns and social responsibility was ranked first, followed by the investor segment that only paid attention to financial returns (Nilsson, 2009). The results of the study by (Glac, 2009) state that respondents in financial manipulation tend not to be involved in SRI than respondents in expressive manipulation. This indicates that non-financial considerations take precedence in investment decisions. Therefore, the first hypothesis proposed is an order of preference in ethical investment, namely industry focus, return, and risk.

The psychological literature has produced theories with the aim of identifying and explaining the factors that influence behavior. A prominent example is the value-belief-norm theory (VBN) from (Stern, 2000) which was specifically developed to explain pro-environmental behavior. Value-belief-norm theory argues that pro-environmental behavior is explained by causal chains that have their starting point in personal values. (Schwartz & Bilsky, 1987) define value as a concept related to a desired end state, which transcends a particular situation. Values are usually considered stable and fairly constant and do not always directly determine decisions or behavior (Stern, 2000). Personal values are derived from the value inventory dimension (Schwartz, 1992). In research work, researchers approach the generality of measuring altruism with self-transcendent values (Jansson,

2011). Individuals with self-transcendent values behave selflessly and are primarily concerned with improving the well-being of others and the environment. Value-belief-norm theory models the personal values that determine beliefs. When an altruistic individual believes that (1) the things he values are threatened and that (2) his behavior helps in avoiding these threats, the norm is activated. This personal norm to act pro-environmentally results in a moral obligation to be obeyed. Pro-environmental behavior results that occur as a result of moral obligations from personal norms.

The relationship between values, beliefs, norms, and resulting behaviors have been investigated for pro-environmental explanations. (Nordlund & Garvill, 2003) found that altruistic values were associated with a desire to reduce the use of private cars. A survey by (Nilsson, 2009) shows that altruism has a positive effect on willingness to accept strategies to reduce negative climate change. In addition, these altruistic values are significantly and positively related to an individual's intention to donate money (Steg et al., 2005).

The researchers argue that the relationship between values and altruistic behavior also applies to investment decisions. Socially responsible investors have higher donations to charity as well as higher social preferences (Wins & Zwergel, 2016). These investors will work intrinsically (Andreoni & Payne, 2011) (Beal et al., 2005) and engage in socially responsible investments because of their altruistic value.

According to the inventory of values (Schwartz, 1992), the value of self-enhancement determines whether an individual is possessed by selfish interests only, which may even be at the expense of others. In line with the previous literature, researchers used self-improvement to measure egoism (Stern, 2000). Several studies have shown that egoism is negatively related to environmental concerns and attitudes (Nordlund & Garvill, 2003). A selfish individual will not derive utility from the social responsibility of an asset because it is not in line with his selfish personal values (Andreoni & Payne, 2011). Thus, the researchers hope that egoistic values will have a negative impact on socially responsible investment decisions.

Investors who engage in socially responsible investment are expected to act primarily on altruistic motives. Socially responsible assets are important to them because of their altruistic desire to do good as well with their investments. (Riedl & Smeets, 2017) found the majority of investors in their sample expect lower returns on responsible assets than conventional assets. When socially responsible investors are even willing to sacrifice returns to invest according to their values (Hong & Kacperczyk, 2009), this shows that altruistic motives prevail. However, a growing body of literature suggests that extrinsic (i.e., financial) incentives can reduce intrinsic motivation. Originally stemming from the idea that financial compensation would decrease an individual's desire to donate blood, most of the related research has been on charitable behavior. In addition, incentives seem to suppress motivation and also "acceptable behavior" when social norms or behaviors are considered (Ariely et al., 2007). The researchers expect that altruistic investors in socially responsible investments are primarily concerned with doing good with their investments, as long as the returns on socially responsible investments are similar to or lower than those of conventional assets. Based on the theory and literature presented, the second hypothesis proposed is that altruistic value has a positive effect on investment decisions in socially responsible assets.

(Karp, 1996) proposes that egoistic values will lead to involvement in pro- environmental behavior "only when there is a clear relationship between self-interest and pro-environmental behavior". Similarly, (Stern, 2000) outlines the need for personal gain for the egoist to be concerned with environmental protection. One of the realizations of such personal gain is the prospect of becoming financially rich. (Simon, 1992) links altruistic and egoistic values with economic behavior. While he argues for a careful interpretation of how altruism and egoism enter into individual utility functions, he breaks down economic gain into egoistic motives. A behavior is considered selfish "if it seeks to maximize wealth and or power". Individual behavior in experimental games is often linked to their social preferences. When individuals do not share part of their endowment with others, this is considered completely selfish (Bethwaite & Tompkinson, 1996). In line with

this, (Haynes et al., 2015) suggest that selfish managers will increase short-term company performance to reap personal benefits and maximize personal wealth.

The monetary motive of socially responsible investment has been documented for individual investors using controlled arrangements and real ownership data (Døskeland & Pedersen, 2016). (Beal et al., 2005) found some investors to engage in socially responsible investment because they expect superior returns. The pecuniary motive also exists for institutional investors (Kumar et al., 2011). Investors, who pursue the motive of pecuniary are expected to be selfish, focusing exclusively on maximizing their returns. The social responsibility of an asset is thus only important to them if they attribute it to higher returns. When selfish individuals perceive socially responsible investment returns as lower than conventional returns, researchers expect a negative relationship. Thus, the third hypothesis proposed is that egoistic value has a negative effect on investment decisions in socially responsible assets.

Research Methods

This study uses a quantitative approach with conjoint analysis and linear regression analysis. Conjoint analysis is one of the multivariate analysis techniques used to determine respondents' preferences for an attribute and the level of attributes attached to the product. Product in this case is an investment instrument. The attributes used are 'return', 'risk' and 'industry focus'. The return attribute levels include 15%, 10% and 5%. The risk attribute levels include low, medium and high. Meanwhile, the level of investment focus attributes includes 'sustainable investment, no focus, and arms and defense. Sustainable investment is an investment strategy that focuses specifically on company shares that pay attention to environmental, social and corporate governance issues. In contrast, the 'arms and defense focus' refers to investment in the weapons and defense industry. Meanwhile, 'no focus' is between sustainable and 'arms and defense', namely an investment strategy that does not pay attention to industry focus, or only

looks at monetary returns. After knowing the investors' preferences for the attributes studied and the utility value of each level in each attribute, the study continued with linear regression. This regression aims to determine whether the independent variables, namely altruistic and egoistic, affect investment decisions.

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$$ID = a + bEGO + e \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots.2$$

To estimate altruistic and egoistic values as independent variables, the researcher followed the measurement (Schwartz, 1992). The measurement of egoistic value uses five factors including authority, social power, wealth, ambition, and success. These factors reflect the status and dominance of the individual relative to others. The measurement of altruistic value uses four factors of equality, social justice, environmental protection, and unity with nature. These transcendent values in turn describe efforts to improve the welfare of others (Nilsson, 2009). To measure the dependent variable, namely investment decisions, several investment options were given with different return, risk, and focus options. The assumption used is in accordance with the literature that has been mentioned that the performance of socially responsible investment stocks is lower than its counterparty stock. Respondents were asked to express their interest in a hypothetical decision scenario.

Respondents were selected using a purposive sampling technique. The criteria used are capital market study group students (KSPM) who have at least one ethical stock in their portfolio. A total of 108 respondents were invited in a forum to fill out five-point Likert scale questionnaire. The questionnaire contained five main sections. The first section is about identity and demographics, the second section is about the values held by investors, the third section is about investment preferences, the fourth section is about investment knowledge and belief in SRI, and the last section is about social norms.

Results and Discussion

This section begins by presenting table 1 which presents descriptive statistical data. From 104 respondents, there are 37.5% male respondents and 62.5% female respondents. The majority of respondents were less than 21 years old or 59.62%, followed by 15.38% of 21-30 years old, 11.54% of 31-40 years old, 8.65% of 41-50 years old and 4.81% of >51 years old. This is because the majority of respondents are undergraduate students who are members of the capital market study group (KSPM). The respondents who have a high school education level are 33.65%, an undergraduate level are 44.23%, a master level are 15.38% and a doctoral level are 6.73%. The income level of the majority of respondents is less than 3,500,000 which is 59.62%. The middle income level is between 3,500,000-5,999,000 by 25%. And the highest level of income is more than 6,000,000 by 15.38%. These data also show that the low average income is a consequence of young participants. This is in line with the findings of the survey by (Goedde-Menke et al., 2014).

Table 1. Descriptive Statistics

Measure	Value	Number	Percentage (%)
Gender	Male	39	37.5
	Female	65	62.5
Age	<21 years old	62	59.62
	21-30 years old	16	15.38
	31-40 years old	12	11.54
	41-50 years old	9	8.65
	>50 years old	5	4.81
Education	Senior High School	35	33.65
	Undergraduate	46	44.23
	Master	16	15.38
	Doctoral	7	6.73
Income	1500000-3499000	62	59.62
	3500000-6000000	26	25
	>6000000	16	15.38

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Table 2 shows the average preference of respondents to the attribute level. The return attribute levels used are 15%, 10%, and 5%. This equal distance was chosen to confirm understanding in line with the comparison of returns in conjoint analysis (Wilcox, 2003). The use of attribute levels that directly refer to numbers is more realistic than high, medium, and low attribute levels (Døskeland & Pedersen, 2016). The return attribute level most favored by investors is a return of 15% with utility estimate of 0.203, followed by a return of 10% (0.009) and a return of 5% (-0.212). This also confirms the standard finance theory that the main orientation of investors is to get the maximum profit. Furthermore, the respondents' most preferred risk attribute level is medium risk with a utility estimate of 0.102 followed by low risk (-0.049) and high risk (-0.053). Investors here belong to the category of moderate investors so that they place them in high returns and medium risks, unlike conservative investors who tend to choose low risk or aggressive investors who have high risk preferences. The most preferred level of focus attribute is sustainable investment focus with a utility estimate of (0.168) followed by no focus (0.125) and arms and defense (-0.293). This shows that investors tend to prioritize to allocate their funds to industries that are engaged in companies that pay attention to social and environmental issues. The no-focus attribute level is in second rank before arms and defense. This indicates that when there is no information on sustainable investment, the next alternative taken by investor is no focus. The focus of the arms and defense industry is in the last order, which means that it becomes the least preferred level of investment focus attribute by investors. This fact is supported by behavioral finance studies which explain that investment decisions are sometimes not only influenced by economic aspects but also psychological and sociological aspects. Behavioral finance is a discipline that combines three disciplines, namely finance, sociology and psychology. Behavioral finance exists to complement standard financial studies which have been unable to explain the anomalies that occur in the capital market and finance. The priority of investors to choose a sustainable asset focus is evidence that investors get non-monetary returns, namely satisfaction when

they can contribute to solve environmental and social issues. Investors' disinterest in the arms and defense industry also indirectly reflects the negative attitude of investors towards this industry. In other words, investors try to avoid the arms and defense sector in their investing activity because there is no non-monetary return in the form of satisfaction obtained with the assumption that allocating funds to this industry means supporting the creation issue of environment and social or slacken the resolution of environmental and social problems.

Table 2. Utilities

		Utility Estimate	Std. Error
Return	15%	.203	.174
	10%	.009	.174
	5%	-.212	.174
Risk	High	-.053	.174
	Medium	.102	.174
	Low	-.049	.174
Focus	Sustainable	.168	.174
	No focus	.125	.174
	Arms & defense	-.293	.174
	(Constant)	3.561	.123

Table 3 shows that the first rank of attribute is focus with a score of (44,472), return (30,125) and risk (25,403). This means that investors in their investment decisions are very concerned about the type of industry, namely whether the industry pays attention to social and environmental issues, or simply, whether the chosen investment instrument is included in the socially responsible investment index or not. This is in line with behavioral finance studies which explain that investors in their investment decisions are not solely influenced by returns and risks, but also psychological and sociological aspects of an investor. The return attribute is in the second rank after the industry focus and before the risk attribute. This finding suggests that two motives for socially responsible investment, namely the monetary motive and the non-monetary motive, can coexist. As previously

stated, behavioral financial studies were not created against standard financial studies, but to complement it. At a certain point, investors no longer see return and risk as the main considerations in choosing investment instruments. Utility in the form of investor satisfaction to be able to participate in solving social and environmental issues is the main thing. Non-monetary return according to (Beal et al., 2005) can also be seen as an increase in happiness because it has participated in reducing environmental and social problems. Investor satisfaction and increased happiness are psychological aspects obtained by investors when prioritizing non-monetary motives while the contribution in solving social and environmental problems such as war, massacre, or destruction of nature and so on are sociological aspects that humans feel of wanting good progress in their interactions with others.

Table 3. Importance Values

	Score
Return	30.125
Risk	25.403
Focus	44.472

Table 4. Correlations

	Value	Sig
Pearson's R	.848	.002
Kendall's Tau	.543	.023

Table 4 Correlations shows the prediction accuracy of the conjoint analysis model. If the significance value is less than 0.05, it can be stated that this model is able to predict the results correctly. Pearson's R significance is 0.002 or less than 0.05 and Kendall's Tau significance is 0.023 or less than 0.05. So, it can be concluded that the proposed model can predict the results accurately.

The research continued by testing whether the independent variables, namely altruistic and egoistic values influenced investment decisions. The

investment decision in this context is an investment decision in shares that are included in the category of socially responsible investment. Investment decision as the dependent variable is determined from the conjoint analysis. Table 5 shows that the altruistic value has a significant positive effect (0.003) on investors' decisions to invest in socially responsible investment stocks. Or in other words, the more altruistic an investor is, the more likely he is to allocate his funds to socially responsible investments. On the other hand, the egoistic value has a significant negative effect (0.017) on investment decisions. This means that the more selfish an investor is, the less likely he is to allocate his funds to socially responsible investments. This finding also supports the previous results of conjoint analysis which states that investors will pay attention to the focus of the industry before looking at returns and risks. Furthermore, the most prioritized industry focus is a sustainable asset.

According to the value-belief-norm theory, there is a linear function that connects the three levels of analysis, namely personal values, beliefs and norms that explain the process of forming pro environmental behavior. (Stern, 2000) provides a schema for linking several influencing factors to the emergence of pro-environmental behavior. These factors are values, beliefs and norms that are relevant to a particular action or problem. There are three separate groups of values that can trigger a sense of concern for the environment, namely egoistic, altruistic, and biosphere values. Egoistic values are those who care about themselves, such as individual welfare, health, lifestyle, future and others. While altruistic values are those who care about the welfare of others; children, society, other social groups and humanity in general. Value-belief-norm theory focuses on moral values and norms. Individual choices about pro-environmental actions can be driven by personal norms; an internalized sense of obligation to act in a certain way. Norms are activated when someone believes that breaking them will have an adverse effect on the things they value. Personal values such as altruistic values and egoistic values are the antecedents of environmental beliefs. In short, this theory states that the values possessed affect a person's perspective on his environment, which in turn has an influence on awareness

of consequences (i.e., environmental conditions pose a threat to other people, other species or the biosphere). Awareness of these consequences will then foster the assumption that the actions taken by someone can prevent the consequences that will arise from their actions. Based on this consideration, according to (Stern, 2000), it can be assumed that everyone will feel a moral responsibility to take an action related to the environment and social issues.

With the facts that have been described in the literature review section and the assumption used that the performance of sustainable assets is often lower than its counterpart (Durand et al., 2013; Lobe & Walkshäusl, 2016), it becomes logical if investors need altruistic value to allocate their funds in socially responsible investments. Altruistic investors will sacrifice monetary motives or returns in this case to prioritize non-monetary motives, namely satisfaction in contribution to solve environmental and social issues. As explained earlier, altruistic individuals pay great attention to humanity and social welfare, both of which are the main screening items in the selection of stock indexes of socially responsible investment. Therefore, investors who are altruistic will prioritize industry focus before returns and risks. Conversely, investors who have egoistic values will tend to avoid socially responsible investments. Selfish investors only focus on monetary returns, for example maximum personal profit without regard to industry focus. Egoistic investors do not see non-monetary returns as personal satisfaction because they do not have values that lead to social welfare and humanity.

These findings are also in line with Islamic teaching of altruistic and egoistic values. In Islam, altruism is seen as the highest level in the sense of doing good. Altruism itself focuses on the motivation to do good without thinking about the reward that will be obtained. Altruism is aligned with the word "itsar" in Al-Quran. (Utsaimin, 2005) explains that altruism (Itsar) is putting others before himself. A person is said to have an itsar personality in everyday life when he is able to view the needs and interests of other people as more important than his own personal interests. Broadly speaking, the meaning of itsar according to scholars is an act of prioritizing others over oneself in worldly matters voluntarily because they only hope for the

hereafter (Sholeh, 2011). Itsar is marked by a willingness to work together, help and sacrifice for others sincerely without expecting anything in return from others, but intending sincerely only for Allah SWT. While egoistic in Islam is known as "ananiah". Egoistic is behavior of a person that always doesn't want to know the interests of the people around it. Egoistic can also be interpreted as an attitude that is always selfish. Egoistic person takes action according to his own way and mind without seeing other people who may have far more knowledge and experience than him.
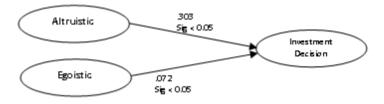

Figure 1. Regression Result

Table 5 shows the norms and beliefs held by investors. Investors are asked to choose which attitude they believe in. There were seven statements proposed referring to the moral obligation to contribute to solving social and environmental issues, one statement regarding feelings towards guns and one statement regarding involvement in religious communities or organizations. The first statement received approval of 57.5%. The first statement implicitly shows the independence of investors, that investors cannot be influenced by anyone in their decision to allocate funds to socially responsible investments. With the percentage exceeding half, the majority of investors consciously feel that they have a moral obligation to invest in socially responsible investments. The second statement received 75.2% approval. This statement emphasizes the belief derived from the value-belief-norm theory that investors will be better off by investing in socially responsible investments. The third statement specifically asks for confirmation of investors' willingness to solve social issues. The results show that the majority of investors, which is 77.4%, agree with their obligation to

contribute to solving social issues. The fourth statement specifically asks attitudes towards the preservation of natural resources. Based on this value, investors will make their investment decisions. The majority of investors, amounting to 79.2%, agreed to this. From the fifth and sixth statements, 99.1% of investors clearly stated that they chose socially responsible stocks and showed their concern for the environment. The seventh statement again validates the fourth statement about attitudes towards natural resources. The results are valid, the majority of investors, 98.1%, have again stated their approval. Furthermore, 81.9% of investors have negative feelings towards the weapons and defense industry. This implicitly supports the results of the previous conjoint analysis which shows that the arms and defense industry focus has the lowest preference score. The last statement aims to find out what percentage of investors are members of religious organizations or communities. The involvement of investors in religious organizations or communities explicitly shows their level of religiosity. As stated by (Chew & Li, 2017) and (Brimble et al., 2013) in their research, religious individuals tend to prioritize religious-based stocks. Religion-based stocks can be interpreted textually; they are stocks that have a screening referring to religious teachings such as sharia stocks or Christian stocks. Contextually religion-based stocks can also be interpreted as stocks that have the same goals and spirit with certain religious teachings. This contextual meaning indirectly directs investors to allocate their funds to shares of companies that contribute to the resolution of environmental and social issues, namely shares of socially responsible investment. (Mahastanti et al., 2021) added that religious investors tend to prioritize metaphysical returns obtained from the selection of Islamic stock investment instruments. The results show that 79.1% of investors are involved in religious communities or organizations. All respondents in this study are Muslims, and Islam belong to a religion that pays great attention to environmental conservation and social justice (Al-Maidah: 8 and Ar-rum: 41). Therefore, it is reasonable that their participation in Islamic communities or organizations will navigate their investment decisions in socially responsible investment stocks. If observed in detail, the

percentage of investor approval always exceeds fifty percent and even eight of the nine statements indicate approval of more than seventy-five percent. This again confirms that the majority of investors have a positive attitude towards the moral obligation to contribute to solving social and environmental issues. This is derived from the norms and beliefs they hold which direct them to choose a socially responsible investment instrument.

Table 5. Belief and Norms

Measure	Value	Percentage (%)
Moral obligation to invest in SRI, regardless of what others are doing	Agree	57.5
	Disagree	42.5
Belief of being a better person if you invest in SRI	Agree	75.2
	Disagree	24.8
Obligation to contribute to the solution of social problems	Agree	77.4
	Disagree	22.6
Obligation to invest in companies that love the environment	Agree	79.2
	Disagree	20.8
Concern for the environment	Agree	99.1
	Disagree	0.9
Appreciation for the choice to invest in sustainable investment	Agree	99.1
	Disagree	0.9
Appreciation for the preservation of natural resources	Agree	98.1
	Disagree	1.2
Feelings towards weapons	Agree	81.9
	Disagree	18.1
Involvement in religious organizations or communities	Agree	79.1
	Disagree	20.9

Conclusion

This study explains that monetary and non-monetary motives play role in investment decisions simultaneously. In particular, the results show that non-monetary motives take precedence over monetary motives for socially responsible investments. Investor's commitment to socially responsible investment stocks sourced from altruistic motives. The higher the altruistic value of an investor, the higher their tendency to allocate their funds to socially responsible investment stocks. On the other hand, egoistic value has a significant negative effect on the decision to invest responsibly. The higher the egoistic value of an investor, the lower their tendency to allocate their funds to socially responsible investment stocks. Selfish individuals only look at financial gain as a financial reward for their investment and ignore environmental and social issues. The majority of investors have a positive attitude towards the moral obligation to contribute to solve environmental and social issues and express a negative attitude towards weapons. Most investors belong to religious organizations or communities that simply reflect their religiosity. Religious individuals tend to prioritize religion-based stocks or company shares that contribute to solve social and environmental issues, as part of religious teachings.

This study provides theoretical and practical implications. The theoretical implications are presented in the introduction, and the results reveal that the value of altruistic in developing countries is as influential as the value of altruistic in developed countries. This confirms that behavioral finance theory goes hand-in-hand with standard finance theory. This study also provides practical implications for all investment practitioners, namely investors, investment advisers, investment managers and etc. These findings can be used as consideration for allocating funds and predicting stock performance. The limitation of this study is that the respondents used are student investors so the results are not representative enough to be generalized. The research instrument is a hypothetical questionnaire so that there may be bias because the respondents are aware that they are the object of research. Future research can use a sample of ethical investors consisting of more

heterogenous backgrounds and use another research instrument to reduce the chance of bias.

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