FACTORS INFLUENCING MALAYSIAN MILLENNIALS' INTENTION TO INVEST IN THE CAPITAL MARKET

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DECLARATION

I hereby declare that the case study is based on my original work except for quotations and citations that have been duly acknowledge. I also declare it has not been previously or concurrently submitted for any other degree at Universiti Tun Abdul Razak (UNIRAZAK) or other institution.

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FACTORS INFLUENCING MALAYSIAN MILLENNIALS' INTENTION TO INVEST IN THE CAPITAL MARKET

By

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Personal financial management means having the knowledge and the ability to decide on money making and expenditure, medical and life insurance, children's education plan and retirement in the future. Investment is an essential part of personal finance management, and millennials need to have great awareness and knowledge of investment and the purpose of investing.

This study examines the factors influencing and to what extent the factors influence the intention to invest in the capital market among Malaysian millennials. The study model refers to a modified Theory of Reasoned Action (TRA). The study uses a simple random sampling technique, and the primary data was collected based on a questionnaire survey of 204 millennials living in Malaysia. The investment intentions measured in the study are attitude toward investment, subject norms and religiosity. The data were analyzed and tested using SPSS and AMOS to obtain frequency distribution for demographic variables and an intercorrelation matrix of the variables. The goodness of the data was tested using Cronbach's Alpha on the reliability of the questionnaire, and the study's validity was tested using convergent validity measurement. This study applied multiple regression analysis as numerous independent are present.

The research findings showed that attitude towards investment and subjective norms positively impact millennials' intention to invest in the capital market, and religiosity does not positively impact millennials' intention to invest in the capital market.

CHAPTER 1: INTRODUCTION

1.1 Background of Study

Personal Finance

Personal finance is a financial management practice of an individual or family that includes budgeting, spending, and savings. It is a short-term and long-term management of an individual or family's finances as well as planning and managing the financial risk, investment and how the financial situation evolves along the way.

Personal finance is important as we need to plan for our daily and long-term needs, such as investment or retirement planning (Turner, 2022). Five crucial areas in personal finance form the financial planning of an individual. They are income, spending, savings, investing and protection (Turner, 2022).

Income

In personal finance, income is the basis of finances. It comes from many sources such as salary, pension or provident fund, properties rental or investment returns.

Spending

Spending is all the expenses made, and having control of the expenses can help an individual spare some of the income to plan for future financial needs.

Saving

Saving is money aside from all the income for future use because planning for potential expenses is important and part of one's finance management.

Investing

Investments are purchases that will grow and generate future income or savings returns. Investments can be the purchase of units in mutual funds, stocks, bonds, or buying real estate wishing it will give the investors a reasonable rate of return. Investments are different from savings as it comes with risk.

Protection

Personal finance comes with a certain degree of risk. However, the financial risk can be mitigated or protected through annuities, life insurance, and health insurance. These protections can help to give financial security from uncertain circumstances that hurt one's finances.

Financial Literacy

People nowadays are more concerned and responsible for their financial management as they are aware of the rising life expectancies, insufficient pension and retirement funds, and changes in labour markets. Moreover, with the evolvement of financial markets in terms of technology and complex financial products, people have to choose and decide carefully which financial products suit them. From loans and mortgages, credit cards, mutual funds, and annuities, people have to choose wisely as it may determine their future finances (Lusardi, 2019).

Financial technology changes have also changed how people make investment decisions and seek financial advice. Therefore, excellent and extensive financial knowledge is vital as it affects financial decision-making (Lusardi, 2019).

The Organisation for Economic Cooperation and Development (OECD) reported that financial literacy means knowing and understanding financial concepts and risks and having the skills, motivation, and confidence to apply them. These criteria are important for them to make

sound financial decisions, use them to improve their financial well-being and be part of the economy (OECD, 2017).

Financial literacy is very important as it will impact the decision on financial matters that eventually will affect life. People nowadays are very concerned with their healthy lifestyle, and with the advancement of the healthcare service, life span is expected to be longer. Thus, having a good financial plan is important to cover the expenses upon retirement. Lusardi and Mitchell (2014) state that excellent financial literacy affects saving and investment behaviour, debt management, and borrowing practices. People who are savvy in their financial management grow their money and accumulate wealth better than those who are not.

High financial literacy always being related to good planning and financial management. Individuals with high literacy in financial value have the power to compound and plan better for their retirement. It also always be connected with a higher return on investment, including complex ones such as stock, thus increasing the wealth (Lusardi, Michaud and Mitchell, 2017).

According to Hasler, Lusardi, and Oggero (2018), good financial literacy means people have the allocation for emergency expenses and can protect themselves from a financial crisis. Their findings showed that financial literate individuals could prepare $2000 in 30 days or spend $400 cash from their savings for emergency expenditures.

These people also have good debt behaviour, have a minimum credit card, and practice fully paying the card expenses rather than the minimum (Lusardi and Tufano, 2009, 2015).

Financial literacy refers to understanding how to plan their finances and make financial decisions, including spending, saving and investing. Knowledge of financial or financial literacy is a lifetime education and a living skill that everyone should know as they deal with money daily (The Edge Malaysia, 2018).

1.2 Problem Statement

Personal financial management is related to an individual's financial literacy, so it needs to be exposed at an earlier age. Managing finances is a skill that everyone must have and be good at it (The Edge Malaysia, 2018).

Widdowson and Hailwood (2007) defined financial literacy as "the ability to make informed judgements and decisions regarding the use and management of money". Being financial literate is reflected in the ability and wisdom to manage own money, including saving, budgeting, protection (insurance) and investing the money (Hogarth & Hilgert, 2002).

Investment is a part of personal finance management and is important as it depicts the ability to manage the present and future finances. Having a grasp of investment means knowing about risk, asset allocation, portfolio diversification, and the time value of money (Pritazahara & Sriwidodo, 2015).

Many studies were conducted on financial literacy among millennials as the society's future and making financial decisions that will shape the country. Idris et al. (2017) studied the relationship between financial literacy and financial distress among youngsters in Male individuals will be lesser financial distress. Lusardi et al. (2010) reported that less than one-third of the respondents in the study of the level of financial knowledge among youngsters are well versed in financial knowledge.

According to Klapper et al. (2015), financial illiteracy has become a worldwide issue that affects both industrialized and developing countries. Low financial literacy level for millennials born between 1978 to 1994 (Mottola, 2014). It was also found to be low in young adults (Jorgensen & Savla, 2010) and college students (Chen & Volpe, 1998; Jorgensen, 2007).

Financial literacy among youth, or Gen Y or millennials, is crucial as this generation is the nation's and society's future. Millennials are expected to outlive Gen X, thus having a longer

financial life span. A piece of great financial knowledge will help them to make a good decision in terms of saving, investment, mortgage and protection (Tay et al., 2020).

Cuandra's (2020) analysis using Planned Behavior Theory showed a significant positive impact of financial knowledge on millennials' interest in investing. In addition, a study on financial literacy conducted by Tay et al. (2018) found that 65 percent of millennial respondents get information on finances via social media and official websites. On average, respondents have moderate knowledge of personal finance management.

The importance of financial planning has grown as Malaysian societies have gradually developed into ones with more complex financial commitments and life ambitions. Malaysians are looking on how to create a sound financial strategy that involves preparing for investments, risk management, taxes, retirement, and estates (Zandi et al., 2021).

As the living cost increases daily, people should be able to manage their personal finance and be active in the financial market (Ahmad Sabri, 2016), such as investment. It enables them to gain high returns and manage to handle financial challenges. Ahmad Sabri (2016) states that the Millennials are the next generation to shape the country's economic future. They need to be financial literate and know how to be savvy investors. Choice and commitment made by the millennials are vital because it affects their lifetime financial well-being (Garg & Singh, 2018).

In Malaysia, millennial generation is gradually displacing the baby boomers generation in the workforce. According to Patrick et al. (2021), millennial investors belonged to a middle-income class and well-educated relatively. But they have poor investment skills and lacking in market awareness when investing in stock market. However, they are keen on the market’s future and rely on technical analysis to help them make decision.

A study by Dalia Research for Luno showed that, in Malaysia, 31% of millennials do not have investing plan, 43% do not invest at all, and only 16% invest once every one to two years. This demonstrates that Malaysian millennials are still focusing more on saving rather than

investing the money (Business Today, 2019). The survey also reported that 90% of them have established monthly budgets, and 70% adhere to a budget plan which depicted that this generation is financially disciplined. But they know very little about managing their finances and 54% respondents of the study need more information on how to invest their money.

Malaysian millennials were observed to be underinvested and as this generation is expanding both in terms of production and age, they must begin to look for methods to invest, not only to make money but also achieving financial independence, which means having considerable cash available for their retirement (Business Today, 2019).

This study seeks to find factors that can influence the Malaysian millennials to invest in capital market.

1.3 Research Objectives

This study aims to determine the factors and to what extent the factors influence Malaysian millennials' intention to invest in the capital market.

1.4 Research Questions

Based on the research objective stated, the factor among the variables identified that impact the millennials' intention to invest in the capital market can be confirmed by answering the proposed research questions. The research questions of the study to answer the research objective are as follows:

1. Does attitude towards investment influence the millennials' intentions to invest?
2. Does subject norms influence the millennials' intention to invest?
3. Does religiosity influence the millennials' intention to invest?

1.5 Significance of the Study

The study's objective is to investigate the factors influencing millennials in Malaysia to invest in the capital market and understand the factors influencing millennials.

The study benefits society as it is a piece of important information for the millennials to know that investment decisions may not only be influenced by the information available but other factors can also influence it.

The study will also benefit the industry in understanding the millennials' behaviour and traits so they can create products that cater to their needs and appeal to them to invest or save.

This study also aims to enrich the knowledge on financial behaviour to help the companies and financial industry understand investors' behaviour and to what extent attitudes, subjective norms, and religiosity affect the intention of millennials to invest.

The study will give further information to the government and the university bodies in preparing a curriculum and syllabus that promotes financial literacy among the future generation to equip them with great financial knowledge to choose the best investment or saving instrument from their early years.

1.6 The Organisation of the Study

This study consists of five (5) chapters, and the description of each chapter is described below.

Chapter 1 discussed the background of the study about personal finance management and financial literacy in general as well as the millennials, problem statement, research objectives, research questions and the significance of the study.

Chapter 2 reviews studies conducted by other researchers to gauge the findings about the underpinning theory used in this study and the factors influencing millennials' intention to invest. Attitude toward investment, subjective norms and religiosity are factors identified in other research findings. Based on the literature review presented, the conceptual framework is developed, and the factors influencing millennials' intention to invest are hypothesized.

Chapter 3 explains the study's research design, including the study population, sampling procedure, data collection method, independent, dependent and mediating variables, operationalization and measurement, and data analysis technique. The chapter also discussed the method and the study's components.

Chapter 4 presents the analyses of the survey data and the study's findings. The descriptive analysis of the study's respondents is covered in Chapter 4, and several statistical tests were run to validate the accuracy of the data. In this chapter, the structural equation modelling was illustrated. Finally, this chapter described and summarised the hypothesis's acceptance or rejection.

The examination of the essential findings and their implications for the conceptual model and hypothesis testing are provided in Chapter 5 as a final section. The study's primary scholarly and theoretical contributions are also thoroughly explained in this chapter, along with any implications for management procedures. Finally, in Chapter 5, the study's limits are also acknowledged, and suggestions are made for future research directions.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The literature review examines books, scholarly papers, and other resources related to a specific matter, issue, field of study, or theory. It furnishes the readers with a description, summary, and critical evaluation of the works connected to the studied research problem. In addition, it is designed to outline the studies done previously on a specific topic and how the study a person conducted fits the whole study area (Fink, 2014).

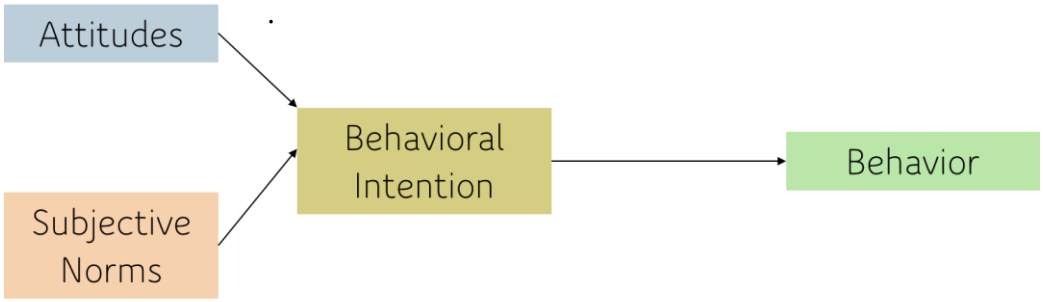
In this study, the literature review will discuss the Theory of Reasoned Action (TRA), the foundation of the study to be conducted, and the factors that have been studied by previous researchers that influenced the investment intention among millennials.

2.2 Theoretical Foundation

Developed by Ajzen and Fishbein (1975), the Theory of Reasoned Action explains the relationship between attitudes and behaviours within human actions. Individuals' behaviour has been predicted using TRA based on their pre-existing attitudes and behavioural intentions.

TRA comprises three components: attitude, subjective norms and behaviours. The theory of Reasoned Action is frequently used to study people's behavioural intentions. Although, according to Hale et al. (2002), TRA is used to measure consciously carried out behaviour TRA also described that attitude toward behaviour and subject norm affect behavioural intention. Abidin et al. (2009), Hanudin et al. (2009), Bauer et al. (2005), and Ouellette & Wood (1998) were among the researchers who employed TRA in their studies.

Figure 2.1: Theoretical Framework of Theory of Reasoned Action



Many researchers use TRA to study the behaviour of the research subject, and studies have been conducted to examine the financial behaviour on the behavioural intention regarding the intention to a financial product. For example, the behavioural intention concept of TRA was examined in the intention to buy in the studies on Islamic financial products (Newaz et al., 2016), including Islamic banking (Salamah, 2012; Echchabi & Abdul Aziz, 2012). In addition, studies of behavioural intention also were conducted on mutual funds (Schmidt, 2010); shares (Mahastanti & Hariady, 2014); personal financing (Hanudin, 2011; Hanudin & Chong, 2011); internet and electronic banking (Innan & Moustaghfir, 2012); internet stock trading (Ramayah et al., 2009).

The behavioural intention was also examined in the intention of using Islamic financing (Alam et al., 2012), choosing credit cards (Amin, 2013) and saving money (Croy et al., 2010; Widyastuti et al., 2016). In addition, Shanmugan and Ramya (2012) and Alleyne and Broome (2011) employed TRA and TPB (Theory of Planned Behavior) to study the intention to invest.

Based on the Theory of Reasoned Action's concepts of behavioural intention, researchers have developed a new construct: investment intention or intention to invest. The investment intention concept was studied by various researchers on investment and financial products as well as on the different types of respondents (Sumiati et al., 2021). Therefore, this study will contribute to explore on the factors influencing the millennials' intention to invest in the capital market.

2.3 Empirical Research

Empirical research is a research approach that relies on verifiable evidence to come up with conclusions. In other words, the sole basis for this research is evidence collected from observation or scientific data gathering methods.

An empirical study can be conducted using qualitative or quantitative approaches, depending on whether the data sample is quantitative or non-numerical. In contrast to theoretical research, empirical research investigates the theory through scientific investigation to determine the experimental probability of the research variables. This empirical research will discuss three main variables listed below:

a. Attitude

b. Subjective norms

c. Religiosity

2.3.1 Attitude towards investment

According to Fishbein and Ajzen (1975), attitude is an interpretative effect of an individual feeling concerning a particular behaviour, positive or negative. Lubis (2010) states that attitude is a forming part of behaviour and plays a role in the action manifested based on an individual's perception of information. A person will react based on his attitude toward a certain behaviour or object (Rahadjeng & Fiandari, 2020). An individual will perform or do the activity if he has a better attitude or positive feeling towards a specific action (O'Connor & Paunonen, 2007) and if the people who matter to him can accept the behaviour and what he will do (Ruby et al., 2019). Nugraha and Rahadi (2021) concluded that an investor would tend to invest when he or she showed a positive attitude towards it.

One of the very important variables being studied is attitude as the factor influencing investment intention. In a study based on the Theory of Planned Behavior, attitude toward behaviour positively affects people's intention to invest (Lai, 2019; Phan & Zhou, 2014).

According to Ali et al. (2014), attitude and behavioural control have shown a distinct positive relationship in investing in Islamic unit trust instruments. East (1993) also reported that attitude towards behaviour positively and significantly influenced investment intention. Mahardhika and Zakiyah (2014) also studied the effect of attitude on investment intention on stock, showing positive results on the attitude towards behaviour. Sumiati et al. (2021) study on millennials also found that attitude contributes to the positive impact on intention to invest among the generation.

H1 There is a positive impact of attitude towards investment on the intention to invest.

2.3.2 Subjective Norms

Subjective norms are one of the TRA concepts, and it considers people's acumen about their actions and whether their actions are important to others or not. According to Elliott and Ainsworth (2012), subjective norms are about the effect of social pressure from exogenous parties or people that are important to a person on his or her behaviour decision.

In studies on investment intention, subjective norms have been found to have a positive impact. Friends (East, 1993), people who are deemed vital in their lives (Alleyne & Broome, 2011), colleagues (Xiao & Wu, 2006) and family (East, 1993; Koropp et al., 2014) are among the subjective norms that influence the investment intention, and the intention becomes more robust when the influence is more substantial (Sumiati et al., 2021)

A study by Mahardhika and Zakiyah (2020) on a group of millennials in Kebumen Regency concluded that, other than attitude and perceived behaviour control, the subjective norms also have shown a positive effect on the millennials' intention to invest in stock. In addition, studies on the intention to invest in Sharia equity mutual funds also found that subjective norms affect the intention of millennials to invest (Sumiati et al., 2021).

H2 There is a positive impact of subjective norms on the intention to invest.

2.3.3 Religiosity

Many researchers have conducted financial behaviour studies based on TRA. Among the factors influencing investment, the intention is religiosity. Newaz et al., (2016) stated that religiosity is a factor that affects an individual's intention to invest. It also influences the decision to invest and the selection of financial products (Newaz, 2014; Soma et al., 2017).

A study by Tahir and Brimble (2011) on Islamic investment behaviour among Muslim, and non-muslim individuals found that the degree of religiosity of an individual influenced the investment behaviour of the individual. A model was developed by Alam et al. (2012) using Muslim respondents to study the impact of attitudes, subjective norms, perceived behavioural control and religiosity on the intention of using Islamic finance instruments. He found religiosity showed a distinct impact.

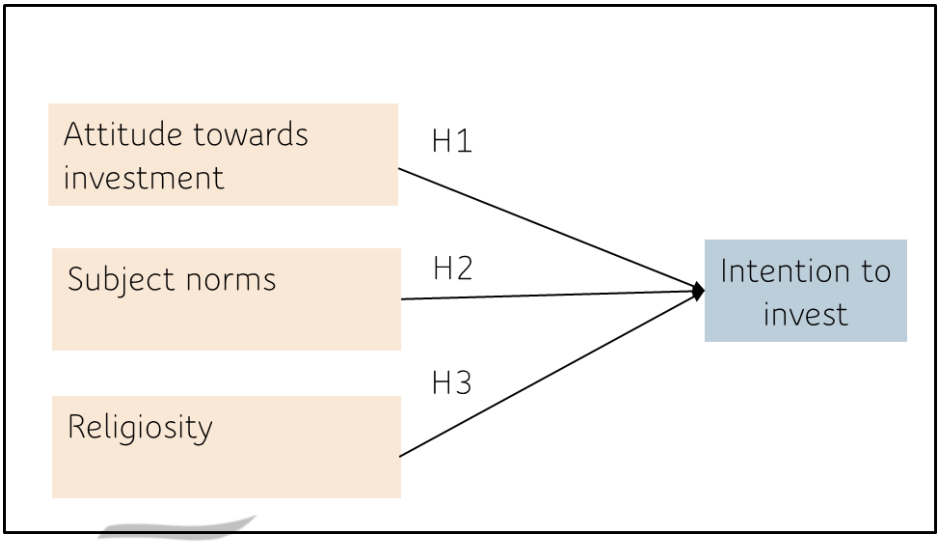
Religiosity also positively impacted customers' intention to buy Takaful insurance (Hassan & Abbas, 2019). The construct of Muslim religiosity was used by Newaz et al. (2016) to describe the intention of Muslims to purchase or use Islamic financial products.

A study conducted by Al-Alawi (2016) found that religiosity positively impacted individual investors in the Sultanate of Oman but negatively impacted the investors in the Kingdom of Saudi Arabia. Ali et al. (2014) examined the factors that influence the millennials generation to invest and found that there is a positive impact on the attitude towards investment, subjective norms, and Muslim religiosity on intention to invest. However, the study also found that Islamic financial literacy showed an insignificant effect on the intention to invest in Sharia equity mutual fund. According to Sumiati et al. (2021), the intention to invest in Sharia equity mutual funds is not guaranteed even in countries with a majority of Muslim citizens. Thus, this encourages the researcher to add religiosity to modify the TRA model as one of the predictors of the intention to invest among Malaysian millennials.

H3 There is a positive impact of religiosity on the intention to invest.

2.4 Proposed Conceptual Framework

Figure 2. 2: Proposed conceptual framework



2.5 Hypothesis Development

Based on the references stated in the literature review, this study develops the hypotheses to explain the relationship among every construct as listed below:

H1: There is a positive impact of attitude towards investment on the intention to invest

H2: There is a positive impact of subjective norms on the intention to invest

H3: There is a positive impact of religiosity on the intention to invest

2.6 Summary of Chapter 2

Investment is part of financial literacy that will help millennials manage their personal financial management, accumulate wealth, and be prepared to face financial challenges. There are many reasons millennials decide to invest, and this research study focuses on the factors influencing millennials' intentions to invest.

The empirical study discussed in this chapter has provided interesting data about the positive relationship between the variables chosen in this study to invest among millennials.

A literature review has discussed how researchers heavily used the Theory of Reasoned Action to study the behavioural intention related to financial products, and a significant impact was observed on the behavioural intention of respondents in selecting financial products.

The following chapter will discuss the research methodology used in this research study to answer the research questions proposed.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

The technique and method used to collect data to verify the conceptual model presented in Chapter 2 are discussed in Chapter 3. The discussion begins with the study's research design, followed by a description of the sampling strategy and data gathering technique. Next, the study discusses the operationalization and measurement processes used to determine the research's independent and dependent variables and the analytical procedure utilized to test hypotheses and respond to research questions.

3.2 Research Design

According to Malhotra (2007), a research design is "a framework or blueprint for conducting the marketing research project that specifies the procedures necessary to obtain the information needed to structure and/or solve the marketing research problem".

3.2.1 Quantitative Analysis

In social sciences, many researchers use the quantitative approach as a research methodology. It is a group of strategies, practices, and presumptions used to investigate psychological, social, and economic processes using quantitative patterns. Researchers can use quantitative data to undertake simple to extremely complicated statistical analyses that aggregate the data by collecting it. In contrast to qualitative research, quantitative research uses procedures such as questionnaires, organized observations, and experiments (Ahmad et al., 2019).

This study has chosen the quantitative analysis method due to its goal, nature of the research query, and research topic. The study's goal is to find the relationship between four variables: attitude, subjective norms and religiosity. Therefore, based on the goal stated,

quantitative analysis is the most suitable technique to be adopted in this study to solve the research objective and to test the hypotheses.

3.2.2 Descriptive Analysis

Descriptive research is applied in this study to describe the factors and the extent of the influence on millennials' intention to invest. A cross-sectional design is used in this study. A cross-sectional study is a "one-time collection of information from any given sample of population elements" (Malhotra, 2007). The design was chosen as it is not a time-consuming and cheaper option to obtain the data from the sample selected. Unit analysis targeted in this study are individuals belonging to Generation Y or the millennial generation living in Malaysia.

3.3 Study Population and Sampling Procedures

The population includes all individuals, events, or things of interest that one researcher intends to investigate. For example, the target population for this study is millennials living in Malaysia.

Sampling is the process of selecting enough elements from the population, and the results analyzed from the sample are generalizable to the population.

The sampling method uses Taro Yamano Sample Size Table (1967) with a confidence level of 93% (Figure 3.1).

Figure 3. 1: Taro Yamano Sample Size Table

Taro Yamane: Sample Size Table

Table 1 **Sample Size for ± 3%, ± 5%,± 7%,± 10%, Precision Levels where Confidence level is 95%**

Size of Population	Sample Size (n) for Precision (e) of:			
	±3%	±5%	±7%	±10%
500	a	222	145	83
600	a	240	152	86
700	a	255	158	88
800	a	267	163	89
900	a	277	166	90
1,000	a	286	169	91
2,000	714	333	185	95
3,000	811	353	191	97
4,000	870	364	194	98
5,000	909	370	196	98
6,000	938	375	197	98
7,000	959	378	198	99
8,000	976	381	199	99
9,000	989	383	200	99
10,000	1,000	385	200	99
15,000	1,034	390	201	99
20,000	1,053	392	204	100
25,000	1,064	394	204	100
50,000	1,087	397	204	100
100,000	1,099	398	204	100
>100,000	1,111	400	204	100

a = Assumption of normal population is poor (Yamane, 1967). The entire population should be sampled.

The sample size of this study is 204 millennials, and in this study, and random sampling method is applied. The simple random sampling method is the most common technique for choosing a sample from a population. It is considered the easiest and pure sampling approach, and there is a chance that every person in a population will be selected equally when using the random sampling approach. Furthermore, according to Gravetter and Forzano (2011), random sampling techniques eliminate any bias during the selection process.

3.4 Data Collection Method

Five methods have been identified to gather and analyze empirical data in a business research study (Yin, 1994): conducting experiments, conducting surveys, and analyzing archive data, histories, and case studies. For this study, a structured interview will be conducted on 204 respondents using survey questionnaires distributed online, including on social media using the Google form application. For data collection, a simple random sampling method is used; thus, random respondents were selected from various parts of Malaysia to avoid biases in the data collected. The survey questionnaire consists of two sections.

Section A is a multiple-choice question on respondents' demographic profiles (4 items). They are queries about the respondent's personal information that are gender, age, education and investment experience.

Section B assesses the factors influencing and the extent of the influence on the respondents' intention to invest using a 5-points Likert scale measurement.

3.5 Operationalisation and Measurement

A closed-ended survey questionnaire was formulated for the research. There are two sections; section A is a multiple-choice question regarding the respondents' demographic information about their gender, age, education and investment experience. These demographic characteristics are moderating behaviour in this study.

The second section, Section B, consists of 20 questions to assess the factors that influence the millennials' intention to invest and the extent of the influence of each factor. The respondents are asked to express and rate their agreement and disagreement with the factors influencing their intention to invest.

The questionnaires are assessed using the Likert scale technique as the mean of data measurement. The Likert scale is a technique used to measure attitudes, opinions and perceptions of an individual or a group of individuals concerning social phenomena. In this study, each

question or statement is measured by a 5-points Likert scale of preferred answers. Each answer is given a weighting of 1 to 5 and the breakdown of the scoring is score 1 = Strongly Disagree; score 2 = Disagree; score 3 = Neutral; score 4 = Agree; score 5 = Strong Agree.

The Likert scale is used for measurement assessment because of its simplicity and ease to use (Neuman, 2000). Many researchers used Likert scale in various disciplines and fields, including most survey research (Edmondson, 2005).

3.5.1 Independent Variables

The independent variables of the study are:

a. Attitude

b. Subjective norms

c. Religiosity

The operationalization and measurement for the specified independent variables are as followed:

Table 3. 1: Independent Variable Operationalisation Measurement

Constructs and Items	Referred to
Attitude towards Investment (ATT)	
I think that investment can enhance the financial knowledge of individuals. I think that investing is meaningful. I think that it is wise for me to engage in investment. I think that engaging with investment is interesting. I think that investment is a good idea.	Nugraha & Rahadi, 2021
Subjective Norms (SN)	
I will participate in investment if my spouse thinks it is useful. I will participate in investment if my family approves it. I will participate in investment if my colleagues do. I will participate in investment if I have proven friend success in it. I will participate in investment if the government encourages it.	Nugraha & Rahadi, 2021
Religiosity (RG)	
I believe that Allah (God) helps me. I perform the obligation of Zakat.	Eid and EL-Gohary (2015)
I prefer to invest in Shariah-Compliant companies. I seek to make my investment based on the Islamic jurisprudence. I give great importance to invest in companies that rely on the Islamic banking system.	Canepa and Ibnrubbian (2014)

3.5.2 Dependent Variable

The dependent variable in this study is the intention to invest.

Table 3. 2: Dependent Variable Operational Measurement

Constructs and Item	Referred to
Intention to Invest	
I intend to engage in investment in the near future. I expect that I will engage in investment activities in the near future. I can stand the inconvenience caused by investment. I will recommend others to invest in the stock market. Do you need time before engaging in investment.	Nugraha & Rahadi, 2021

The listed questions were adopted from several studies and modified by the author to suit the purpose of the study.

3.6 Data Analysis

3.6.1 Data Analysis Techniques

The findings of the survey of this study are analyzed using descriptive statistics. Once the data from the Google form was collected, it was transferred to Statistical Package for Social Science (SPSS). Multiple analyses were carried out with IBM SPSS Statistics v27 to get the variables' demographic frequency distribution and intercorrelation matrix. SPSS program is a flexible application that helps carry out various analyses and carry out a wide range of data conversions to generate a range of output formats (Kapoor, 2018).

To test the research hypothesis, Structural Equation Modelling (SEM) was utilized to examine the direct impact of the independent variables on the dependent variables. SEM is based on factor analysis and multiple regression analysis. Thus, SEM can be seen as a special mixture of both interdependence and dependency methodologies, according to Hair et al. (2014). For this

study, the SEM was run using IBM SPSS Amos v28, and AMOS is beneficial to assess how strong a connection exists between the latent and manifest variables (Brandmaier, Von Oertzen, McArdle & Lindenberger, 2013). The factor loading in the unidimensionality test was analyzed using principal component analysis to determine each item in each factor that met the minimum threshold for acceptable factor loadings (Awang, 2012). According to Awang (2017), the factor loading should be at least 0.6 for items that have existed for some time as opposed to more than 0.5 for recently established items.

3.6.2 Inferential Analysis Techniques

For data consistency and stability, a reliability test was done using Cronbach's alpha to determine whether the model is reliable. The Cronbach's alpha acceptable value should be at least 0.7 or more (Cronbach, 1951). A convergent validity measure is used to test the study's validity, and the prerequisites for convergent validity are Average Variance Extracted (AVE) > 0.5.

3.7 Summary of Chapter 3

Chapter 3 discusses the approach employed in this study. This study applied a quantitative technique to verify correctness, reliability, and testability. It also suggests that the results from the population sample are highly generalizable.

This study's data was gathered using a survey using a simple random sampling method. To gather the data, a formal questionnaire was developed, which was then completed via an internet platform, based on the conceptual model developed for this study to help to identify vital information and the relationship.

The sampling population is 204 respondents that are millennials, and the responses were collected and analyzed using SPSS Statistics. The reliability of the data was tested using Cronbach's alpha, and the validity of the data was tested using a convergent validity measure. At the same time, the research hypotheses were analyzed using SPSS Amos software.

CHAPTER 4: RESULTS AND DISCUSSION

4.1 Introduction

Chapter 4's main goal is to analyze the data from the online survey of millennials living in Malaysia, followed by recommendations. Discussion of the survey's questionnaire findings, the results of the numerous regression analysis techniques, and the hypothesis testing, were also reported in this chapter.

4.2 Survey Response Analysis

4.2.1 Response Rate

This study focused on the millennials living in Malaysia, and based on Taro Yamano's Sample Size Table (1967) with a confidence level of 93%, a sample size of 204 respondents was determined for this study. According to Lin (2018), Generation Y or millennials, comprise 29% total population of Malaysia. However, Khidir (2019) cited that the millennial population (individuals born between the 1980s and 1990s) in Malaysia is more than 9 million, and half of the total Malaysian working population is millennials.

Department of Statistics Malaysia reported that the total population of Malaysia in 2022 will be approximately 32.7 million, and the population of the working age group (15-64 years old) increased from 69.4 percent (2021) to 69.5 percent in 2022 (Department of Statistics Malaysia, 2022).

4.2.2 Respondent and Demographic Profiles

Understanding the demographic and socioeconomic characteristics of the survey's participants is important before we start looking at the data from the samples. It is a normally used approach to set the context for the analysis later. Four variables in the demographic part comprises of age, gender, education background and investment experience (Table 4.1).

For age group, 5 age group respondents were studied which consist of 21-25, 26-30, 31-35, 36-40 and 41 and above, and the percentile are 8.3%, 17.2%, 30.9%, 25.5% and 18.1% respectively.

With 17.0 million men and 15.7 million women, the male population outnumbered females in 2022. For the entire population, there are 109 males for every 100 females in Malaysia (Department of Statistics Malaysia, 2022). However, in this survey, male respondents are only 23.5%, while the female respondents supersede with 76.5%. The questionnaire was distributed via social media, namely Facebook, Instagram and WhatsApp. 75% of Malaysians routinely use the internet to read news and stay current on events, and as of January 2022, 89% of Malaysians use social media. It was 43% from 2016, when only 62% of Malaysia's population used social media (Digital Business Lab, 2022). According to Kepios (2022), WhatsApp is the most used social media, with a penetration rate of 93%, followed by Facebook (88.7%) and Instagram (79.3%). In Malaysia, Facebook is one of the favourite social media, with 24.31 million active members as of February 2022, and data revealed that more men than women used Facebook. However, women appear to click (26 clicks) on advertising more frequently than males (17 clicks). One of the most active Instagram users in the Asia Pacific region is from Malaysia, with 15.55 million users as of early 2022, and 56.4% of the audience reach for ads on Instagram in Malaysia is made up of female users (Digital Business Lab, 2022).

The educational profile of the respondents showed that the majority are degree holders with 51%, followed by diplomas with 23.5% and Master's degrees with 14.7%. 6.9 % of respondents are higher secondary, 0.5 % of the respondent has SPM, STPM and attended Foundation, respectively. Only 1.5% of PhD holders participated in the study. Statistics of Higher Education 2021 reported that in 2021 there are 147,444 Bachelor's Degree graduates (public and private universities and polytechnics), 113,061 Diploma graduates (public and private universities,

polytechnics, community college), 22,717 Master's Degree graduates and 4,504 PhD graduated from public and private universities (Statistics of Higher Education, 2021).

Regarding investment experience characteristics, the majority of the respondents which is 65.2% have 0-3 years of investment experience, 19.1% have 4-7 years of experience and only 15.7% of respondents in this survey have 7-10 years of experience.

Table 4. 1: Respondent Profiles (n=204)

Characteristics	Category	No of respondents	Total sample %
Age	21-25	17	8.3
	26-30	35	17.2
	31-35	63	30.9
	36-40	52	25.5
	41-above	37	18.1
Gender	Male	48	23.5
	Female	156	76.5
Education Level	High School	14	6.9
	SPM	1	0.5
	STPM	1	0.5
	Foundation	1	0.5
	Diploma	48	23.5
	Degree	104	51.0
	Master	30	14.7
	PhD	3	1.5
	Professional Certified	1	0.5
	ACCA	1	0.5

Investment Experience	0-3 years	133	65.2
	4-7 years	39	19.1
	7-10 years	32	15.7

4.3 Goodness of Data

In this section, reliability and validity checks were carried out to confirm the item's reliability and validity before the data were analyzed to confirm the hypothesis. Then, a confirmatory analysis of the proposed hypothesis was conducted using a combination of IBM SPSS Statistics 27 for factor analysis and SPSS AMOS statistical software for structural equation modeling (Yong & Renganathan, 2019).

4.3.1 Unidimensionality

According to Pett et al. (2003), dimensionality often refers to the structure of a particular phenomenon, and unidimensionality, on the other hand, refers to one dominant phenomenon or latent variable. The basic assumption is that the construct is predominately unidimensional when evaluating a latent composite construct that resulted from responses such as the Likert scale (Pillai, Vijayamohan, & Rjumohan, 2020). The description of the concept being evaluated is often used to generate the items, interview questions, or anchors on a behaviour-anchored rating scale. Awang (2012) cited that to ascertain whether each factor component matched the strictest requirements for allowable factor loadings, the unidimensionality benchmark was applied. Suppose a variable (sometimes referred to as a latent variable) exists that describes all correlations between the items. In that case, the set of items is said to be unidimensional (Bruno, 2006). If the systematic changes within the item variance are entirely due to one variance source, one latent variable, then the item is called unidimensional (Ziegler & Hagemann, 2015). Factor analysis and multidimensional scaling are two statistical techniques that can be used to investigate the

dimensionality or structure of a group of distinct variables. According to Awang (2017), in determining unidimensionality, a factor loading value for a newly created item must be more than 0.5 and 0.6 or more for existing items. Table 4.2 represents the factor loading value identified for each item in the study.

Table 4. 2: Construct factor loading

Construct	Item	Factor Loading
Attitude towards Investment	ATT1	0.874
	ATT2	0.901
	ATT3	0.892
	ATT4	0.901
	ATT5	0.926
Subjective Norms	SN1	0.839
	SN2	0.854
	SN3	0.806
	SN4	0.7790
	SN5	0.588
Religiosity	R1	0.792
	R2	0.870
	R3	0.918
	R4	0.924
	R5	0.877

Intention to Invest	II1	0.864
	II2	0.896
	II3	0.866
	II4	0.770

As shown in Table 4.2, item II5 for construct Intention to Invest is not present as it did not achieve the factor loading value above 0.5. According to Anderson and Gerbing (1988), when an item does not meet the factor loading value, the procedure consists of removing the lowest factor and loading the items one at a time until the lowest factor loading the items in the latent construct exceeds 0.5. Then, the measurement model should then be tested again until it satisfies the requirement for unidimensionality.

Upon retesting the constructs, all remaining variables for the four constructs, namely attitude towards investment, subjective norms, religiosity and intention to invest, showed factor loadings value above 0.5. Thus, unidimensionality was attained for all the items.

4.3.2 Reliability

Reliability is the consistency of a test's or measurement procedure's yields across trials. A certain level of random error is always possible when measuring a phenomenon; hence, reliability evaluates a study's reliability, consistency, correctness and reproducibility (Chakrabartty, 2013). Stanley (1971) cited that in a study, chance mistake always exists to a certain degree, whether big or small. There will never be another identical instance of one another, even if it comes from two sets of measurements from the same person with the same attributes; however, they frequently exhibit consistency between measurements (Stanley, 1971; Kimberlin & Winterstein, 2008). The consistency seen in the repeated measurements is known as reliability, and reliability increase with the consistency of the results produced by repeated measurements and vice versa (Pillai, Vijayamohan & Rjumohan, 2020).

Cronbach's alpha is typically used to evaluate the internal consistency reliability test. When measuring reliability, perfect reliability is equivalent to 1, while zero reliability equals 0. Therefore, the reliability coefficient goes from 0 to 1. Statistical correlation tests are typically used to measure reliability for test-retest and alternate forms (Traub & Rowler, 1991). Even though the reliability value should be more than 0.9 in situations with high stakes, a value of 0.8 or 0.7 is also acceptable. According to Downing (2004), a reliability value greater than 0.8 is considered high, and Nunally and Bernstein (1994) cited that an alpha value of 0.70 or higher is generally regarded as acceptable. Cronbach'sAccording to Nunnaly (1978), Cronbach's alpha can be understood as the anticipated correlation between a test and a fictitious alternate form. Only when all elements are precisely comparable is it equal to reliability (Novick & Lewis, 1967). Therefore, Cronbach's alpha and item-to-total correlation were used to gauge the reliability and internal consistency of items in this study.

Table 4. 3: Construct Cronbach's alpha coefficients

Construct	Item to Total Correlation	Cronbach's Alpha
	Attitude towards Investment	
ATT1	0.803	0.940
ATT2	0.842	
ATT3	0.830	
ATT4	0.841	
ATT5	0.880	
	Subjective Norms	
SN1	0.726	0.868
SN2	0.747	
SN3	0.686	
SN4	0.673	

SN5	0.630	
Religiosity		
R1	0.689	0.924
R2	0.793	
R3	0.861	
R4	0.876	
R5	0.802	
Intention to Invest		
II1	0.732	0.869
II2	0.785	
II3	0.754	
II4	0.624	

On top of Cronbach's alpha, item-to-total correlations were also tested in this reliability section. Item-to-total correlations are important as their coefficients will show the strength of a relationship between an item and a concept of dimension. According to Netemeyer et al. (2003), the score for each item-to-total correlation should be 0.35 and above; otherwise, it can put reliability at risk.

Data in Table 4.3 showed all Cronbach's alpha and item-to-total correlations coefficients are presented. The Cronbach's alpha coefficients had shown values above 0.7 for all items. Werhahn and Brettel (2012) quoted that for an item to be considered reliable, the alpha value must be 0.7 above. Thus, all variables are considered reliable.

4.3.3 Validity

Reliability alone is insufficient for a measure to accurately represent an abstract idea. It also needs to be valid. The ability of an instrument to precisely measure what it claims to measure is what

validity is normally defined (Blumberg, Cooper, & Schindler, 2005). The ability of the measuring device to produce the desired outcome is referred to as validity (Linn & Groundlund, 2000). In a broad sense, every measurement tool is legitimate if it achieves its goal. As long as it measures what it claims to measure, an indicator of some abstract idea is valid (Carmines & Zeller, 1979). Hence, a research tool such as a questionnaire must thoroughly assess the hypothesis being investigated (Pallant, 2011).

Different categories of validity have been proposed in the literature to determine the validity of the measuring instrument (Uluwatayo, 2012). Various types of validity can be used to measure any study. Predictive Validity, Concurrent Validity, Content Validity, Construct Validity, Criterion-Related Invalidity, External Validity, Face Validity, Systemic Validity, Theoretical Validity, Jury Validity, Consequential Validity, Cultural Validity, Interpretive Validity, Descriptive Validity, Evaluative Validity, Statistical Conclusion Validity, and Translation Validity can be listed as some of these. In the literature, however, content validity and construct validity are usually acknowledged to be particularly significant types of validity (Sürücü & Maslakçı, 2020).

According to Bollen (1989), content validity is a qualitative type of validity that assesses whether the expressions in the measuring instrument accurately describe the thing being measured. According to this definition, validity research determining the degree to which each component of a measuring instrument serves the intended purpose is known as a content validity study.

Construct validity is the capacity to discern between people who exhibit the desired behaviour or quality and those who do not. The extent to which an instrument assesses the notion, behaviour, idea, or quality; that is, a theoretical construct, that it claims to measure is known as construct validity (Sürücü & Maslakçı, 2020). Researchers frequently employ construct validity based on the logical connections between variables. When evaluating the validity, a contrived fit

of the study is not enough. Thus, the research must produce useful results to assess the convergent and discriminant validities after the construct validity test (Sürücü & Maslakçı, 2020).

In this study, the study's validity is evaluated using convergent validity measures. Convergent validity describes the level of agreement between several methods of evaluating a variable that produces the same result. In sociology, psychology, and other behavioural sciences, the phrase "convergent validity" is widely used to characterize the degree to which two measures of variables that should theoretically be linked are related (Taherdoost, 2016).

Convergent validity states that the variables' expressions are related to one another, and the component they produce, and the degree of the association between the observable variable used to assess the latent variable is demonstrated by convergence validity (Hair et al., 1998) This signifies that the measuring tool intended to assess a specific construct accurately measures the intended construct.

The Average Variance Extracted (AVE) and Composite Reliability (CR) values can be used to establish whether or not the measured variables have convergent validity. Fornell and Larcker (1981) proposed a technique for measuring convergent and discriminant validity based on the average explained variance (AVE) value obtained from each factor to determine construct validity. AVE is calculated by dividing the total of squares of the covariance loadings of the factor-related expressions by the number of expressions. Each AVE value must be larger than 0.5, and the AVE values must be less than the Composite Reliability (CR) to achieve convergent validity. CR or Composite Reliability was developed by Werts et al. (1978), describing the consistency with which a measurement instrument's observable and latent variables are related. The result produced from the CR is imported to figure out the scale's general reliability because it measures the general reliability of heterogenous but related expressions. Convergent validity is achieved when the CR value must be greater than 0.7. According to Awang (2017), the Average Variance Extracted measure provides the average proportion of variance explained by the measuring items

for a latent construct. In contrast, the Composite Reliability metric represents a latent construct's reliability and internal consistency. Table 4.4 revealed the formula of AVE and CR:

Table 4. 4: Average Variance Extracted (AVE) and Composite Reliability (CR) formula

AVE = ∑K2 / n	**K = factors loading of every item and**
CR = (∑K)2 / [(∑K)2 + (∑1 - K]	**n = number of items in a model**

In this study, individual construct CR and AVE were determined, as shown below in table 4.5.

Table 4. 5: Construct Average Variance Extracted (AVE) and Composite Reliability (CR)

Item	Construct and Measurement	Average Variance Extracted (AVE)	Composite Reliability (CR)
Attitude towards Investment		0.8081	0.9547
ATT1	I think that investment can enhance the financial knowledge of individuals.		
ATT2	I think that investing is meaningful.		
ATT3	I think that it is wise for me to engage in investment.		
ATT4	I think that engaging with investment is interesting.		
ATT5	I think that investment is a good idea.		

Subjective Norms		0.6563	0.9050
SN1	I will participate in investment if my spouse thinks it is useful.		
SN2	I will participate in investment if my family approves it.		
SN3	I will participate in investment if my colleagues do.		
SN4	I will participate in investment if I have proven friend success on it.		
SN5	I will participate in investment if the government encourages it.		
Religiosity		0.7700	0.9435
R1	I believe that Allah (God) helps me.		
R2	I perform the obligation of Zakat.		
R3	I prefer to invest in Shariah-Compliant companies.		
R4	I seek to make my investment based on the Islamic jurisprudence.		
R5	I give great importance to invest in companies that rely on the Islamic banking system.		
Intention to Invest		0.5964	0.8733
II1	I intend to engage in investment in the near future.		

II2	I expect that I will engage in investment activities in the near future.
II3	I can stand the inconvenience caused by investment.
II4	I will recommend others to invest in the stock market.
II5	Do you need time before engaging in investment?

Based on the AVE and CR in Table 4.5, every construct satisfies the requirements for convergent validity because the Average Variance Extracted (AVE) and Composite Reliability (CR) are more than 0.5 and 0.7, respectively. Therefore, the data have attained Convergent Validity if the CR value is larger than 0.7, the CR value is higher than the AVE value, and the AVE value is more than 0.5 (Hair, Ringle, & Sarstedt, 2011).

4.4 Model Construction and Equation

This part uses latent variables using AMOS software are for multiple regression analysis. Other than that, the exogenous and endogenous factors and the structural equation model are also examined and discussed thoroughly here. Lastly, the multiple regression model, variables p-value and beta weight value are also investigated and briefed in this section.

4.4.1 Latent Variable and Indicators

A latent variable is an unobservable variable. However, the impacts of latent variables can be used to identify their presence. The majority of study constructs are latent variables. Constructs are abstract ideas that cannot be quantified easily with a single question, compared to observable variables that can be directly quantified using questionnaires. Constructs demand that the concept is expressed through a collection of related observable variables, and the concept is a latent

variable. Making wise selections requires having a thorough knowledge of how these latent variables interact with one another and how they relate to manifest variables (Xin-Yuan, 2007).

According to Xin-Yuan (2017), Structural Equation Modeling (SEM) is an essential multivariate technique for reaching the above goal. SEM's standard model with the normalcy assumption has been extensively used to solve issues. Structural Equation Modeling (SEM) has many interconnected components in the best conditions. In SEM, constructs are frequently referred to as latent variables and observable variables as indicators. As a result, an observable variable may indicate a hidden variable. SEM comprised the measuring model and the structural model. Latent or composite variables are measured by measurement models (Hoyle, 1995, 2011; Kline, 2010); on the other hand, route analysis-based structural models examine all potential dependencies (Hoyle, 1995, 2011; Kline, 2010). The minimal number of indicators for each latent variable should be two, according to Kenny, Kashy, and Bolger (1998). Table 4.6 contained the indicators or observable variables for each construct in this study.

Table 4. 6: Construct indicators or observed variables

Indicators/Observed variable	Construct/Latent Variable
ATT1, ATT2, ATT3, ATT4 and ATT5	Attitude towards Investment
SN1, SN2, SN3, SN4 and SN5	Subjective Norms
R1, R2, R3, R4 and R5	Religiosity
II1, II2, II3, II4 and II5	Intention to Invest

4.4.2 Exogenous and Endogenous Variables

An exogenous variable is an independent variable that influences the endogenous variable positively or negatively.

Like dependent variables, endogenous variables are those affected directly and indirectly by exogenous factors (Kunnan, 1998). The exogenous variables in this study are attention towards

investment, subjective norms and religiosity. The endogenous variable in this study is the intention to invest.

4.4.3 Structural Equation Model Path

Scientific studies use Structural Equation Modeling (SEM), a potent multivariate approach, more frequently to investigate and assess multivariate causal linkages. Since SEMs test the direct and indirect impacts on hypothesized causal linkages, they differ from other modeling methodologies (Fan et al., 2016). This study has used Structural Equation Modeling (SEM) to assess the overall model fit after confirming the data's unidimensionality, dependability, and validity. First, the SEM path diagram was developed using the theoretical framework as a guide.

Among behavioural scientists, SEM is one of the most used statistical methods for identifying linear relationships in multivariate data. These intricate interactions are typically expressed graphically or in algebraic form. Typically, the latter depiction is known as a path diagram (Ho, Stark and Chemyshenko, (2012). According to Byrne (2010), the structural model path diagram is a graphic depiction of the equation. The independent and dependent constructs are shown to have mathematical relationships between them. The one-way arrow that starts with the exogenous variable and ends with the endogenous variable represents the regression weight. By comparing the unstandardized exogenous variables and standardized regression coefficients, the reader can ascertain how much of an impact the exogenous variable has on the endogenous variable.

Twenty variables were identified and observed for this study, a questionnaire was created, and responses were collected from respondents who completed the survey online using the Facebook, Instagram, and WhatsApp applications. Four (4) latent variables have a conceptual link with each of these 20 observable variables. These 20 observable variables are therefore collectively referred to as indicators of four (4) latent variables. The indicators represent the different parts of the latent variables. For example, the endogenous latent variable, intention to

invest, is influenced by the three theoretically exogenous variables of attitude toward investment, subjective norms, and religiosity. The path diagram in Figure 4.1 depicts the link between the variables in regard to the research hypothesis.

The sample data from SPSS is imported once the structural equation model (SEM) has been developed in AMOS and the model is assessed. The analysis should produce error-free results in graphical and tabular representations if the data satisfies every SEM assumption. The following figure shows the SEM's graphical representation of the results.

Figure 4. 1: The Structural Model Path

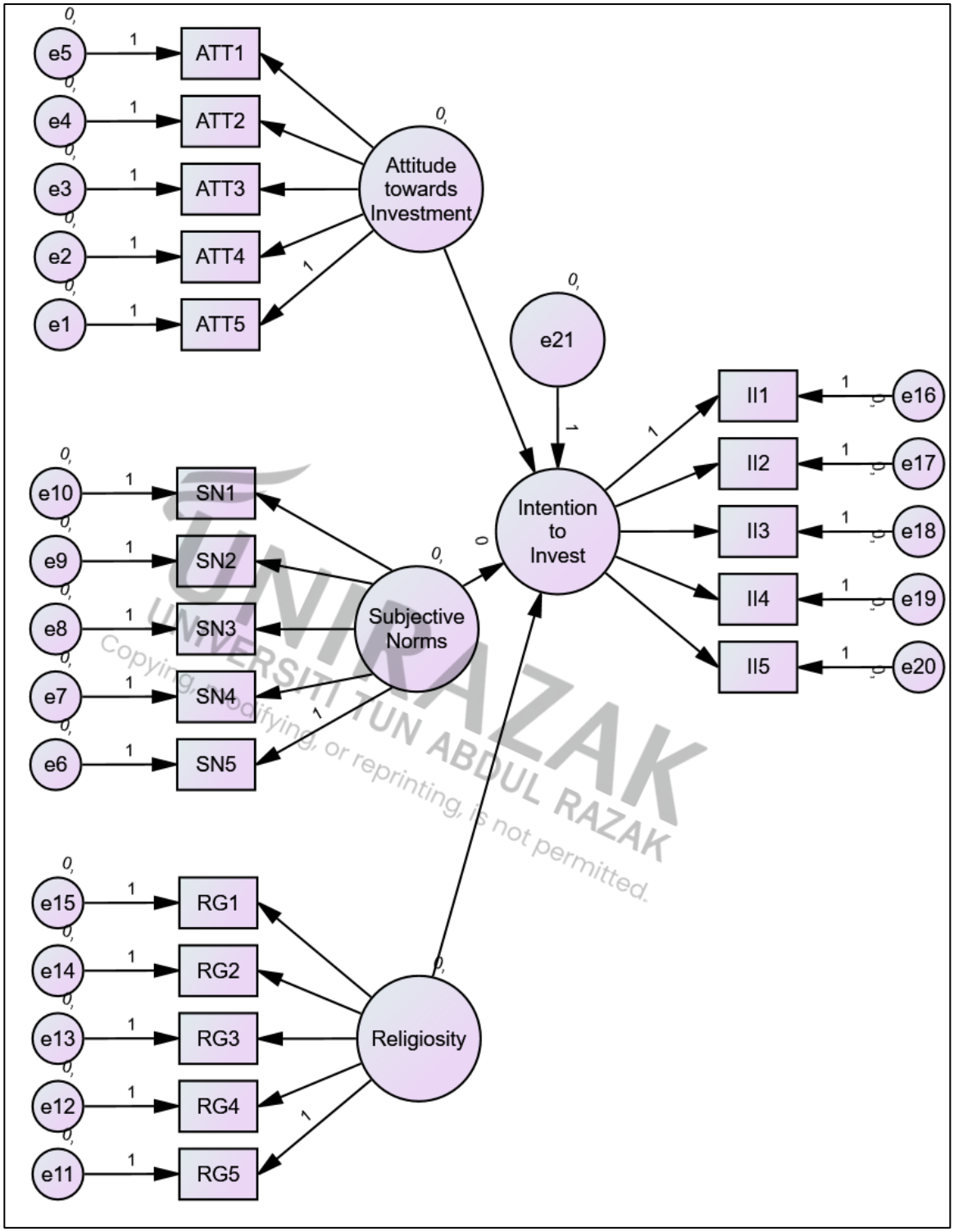
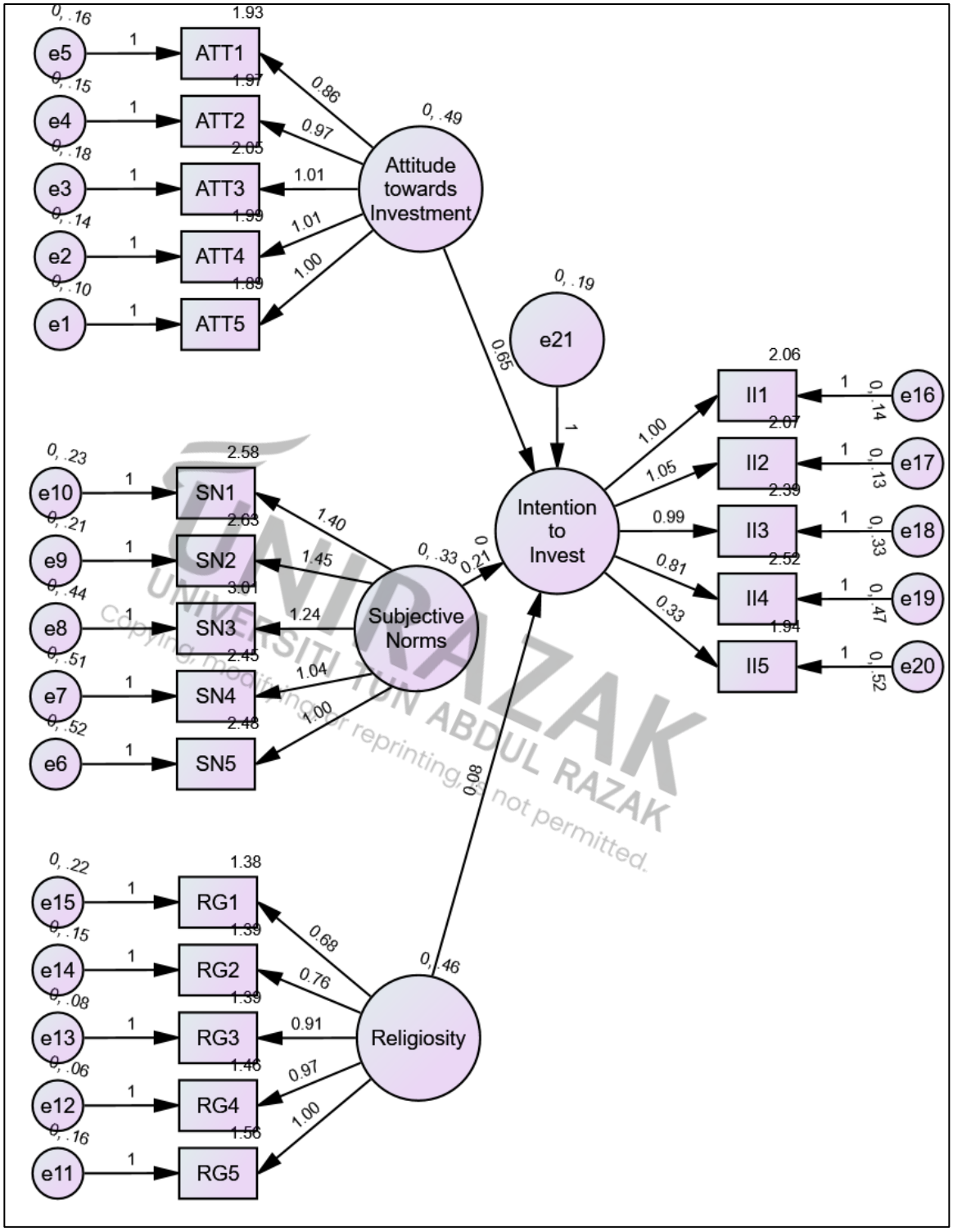


Figure 4. 2: Overall Stuctural Model – Unstandardised



4.4.4 Multiple Regression

For this study, multiple regression was applied to forecast a variable's value using the values of two or more additional variables. Numerous independent variables and one dependent variable can be analyzed using the statistical technique known as multiple regression. In order to forecast the value of the single dependent value, multiple regression analysis uses independent variables whose values are known. Each predictor value is given a weight, with the weights indicating how much each predictor contributed to the final forecast (Wagner, Moore & Aryel, 2006). You can also assess the overall model fit (variance explained), and the relative contributions of each predictor to the overall variance explained using multiple regression. For instance, you could be interested in the "total contribution" of each independent variable to explain the variation in intention to invest in this study and the "relative contribution" of each independent variable. According to Brace, Kemp, and Snelgar (2006), before applying multiple linear regression, several conditions must be met, as detailed below:

1. A linear relationship between the independent and dependent variables is required.
2. The dependent variable needs to be expressed as a ratio or interval on a continuous scale.
3. Predictor variables may take the form of an ordinal, interval, or ratio.
4. There should be more answers than there are predictor factors under investigation.

When all the assumptions above are fulfilled, the influence of independent factors on the dependent variable can be determined, and in this study, to determine the relationship of three (3) independent variables, are attitude towards investment, subjective norms and religiosity to the dependent variable namely intention to invest.

A. Evaluating the model

R-squared or R^2 or also knows as the coefficient of determination among scientific community was introduced by Wright (1921) and according to him, the dependent variable's dependency on the independent factors is stated as a percentage of the dependent variables' variance. R-squares

or coefficient of determination also is defined by the sum of squares resulting from the regression divided by the sum of all squares (Figueiredo Filho, Silva & Rocha, 2011). The R-squared statistic reveals the proportion of the dependent variable's overall variation that can be accounted by the independent variable. According to Fields (2009), the data perfectly it the linear model, as indicated by the R-squared value of 1.0. Any R-squared value below 1.0 suggests that the model is unable to explain at least some of the data variability. Table 4.7 by Moore, Notz and Flinger (2013) described the strength of a connection based on its R-squared value.

Table 4. 7: R-squared value and the relationship strength

R-squared Value (R^2)	**Strength of the relationship**
$R^2 < 0.3$	None or very weak effect size
$0.3 < R^2 < 0.5$	Weak or low effect size
$0.5 < R^2 < 0.7$	Moderate effect size
$R^2 > 0.7$	Strong effect size

According to Fields (2009), the R-squared is one of the most crucial statistics metrics because it demonstrates how big the variation in the dependent variable is explained by the various predictors in the model. The adjusted R-square gauges how well a model may be applied to a wide range of individuals.

The three independent variables – attitude toward investment, subjective norms and religiosity – accounted for 54.1% of the variance in millennials' intentions to invest, according to an evaluation of the study's model, which yielded an R-squared value of 0.541. According to Table 4.7, a result with an R-squared value greater than 0.5 but less than 0.7 indicated a moderate impact size.

B. Variables P-value

Statistical processes are applied to the data in empirical research to separate the signal from the noise and make differences in the data. Therefore, statistical techniques direct us toward a deeper comprehension of the data and deriving inferences from the data. Because of this, it is crucial to completely comprehend what statistical techniques and their outcomes mean when used in a study (Andrade, 2019).

P value means the likelihood of getting a result equivalent to or more extreme than what was actually seen under the null hypothesis. The probability (P) indicator indicates the likelihood that any observed variation between groups is the result of chance. P may be any number in the range of 0 and 1. because it is a probability (Goodman, 1993). A P value near 1 denotes no difference between the groups other than that which would result from chance, whereas a value close to 0 suggests that the observed difference is unlikely to be the result of chance. Therefore, depending on how the P value was calculated, it is usual in medical publications to find words like "very significant" or "extremely significant" after the P number.

P-values were first described by Fisher (1925) as a measure of evidence against the null hypothesis. Fisher (1925) also suggested that the evidence is stronger, the lower the P-value. According to Fisher (1926) a level of 5% (one in twenty) or stricter standards like 0.01 % (one in 100), depending on the study's goals. However, further factors show that there is no universally accepted P-value and that the value is determined by the particular facts and data of each case or study (Fisher, 1956).

To properly use P-values to assess the quality of the evidence in randomized clinical trials, researchers should utilize the P-value in conjunction with an estimate of the treatment effect and its 95% confidence interval to gauge the impact, level of uncertainty, and strength of the evidence that the effect is real (Pacock, McMurray, and Collier (2015). For example, when the P-value is less than 0.05, it is simple to assume that the likelihood that the result of chance is less than 5%

and that the likelihood that the result is true is greater than 95% (Andrade, 2019). Table 4.8 lists the constructs developed in this study, and the P-value of 0.05 is used as a cut-off point to denote statistical significance.

Table 4. 8: Construct P-value

Construct	P-valuue	Statistically significant
Attitude towards investment	P-value < 0.05	Yes
Subjective Norms	P-value < 0.05	Yes
Religiosity	P-value > 0.05	No

The table above shows the independent variables in this study, i.e., attitude towards investment, subjective norms, and religiosity and its finding. Construct attitude toward investment and subjective norms achieved P-value less than 0.0.5 and are statistically significant factors influencing intention to invest. On the other hand, religiosity is found statistically not significant as a factor influencing the intention to invest among the millennials in Malaysia and has a P-value greater than 0.05.

C. Variables Beta Weight Value

Beta weight is known as a normalized regression coefficient (the slope of a line in a regression equation). When the criterion and predictor variables are both standardized, they are employed. When an independent variable is increased by one standard deviation while the other independent variables remain constant, the anticipated increase or decrease in the dependent variable is stated in standard deviation units as a beta weight for the independent variable. The beta weight indicates, under the assumption that other model variables are held constant, how much the

criterion variable grows (in standard deviations) when the predictor variable grows by one standard deviation (Hoyt, Leierer, & Millington, 2006; Johnson & LeBreton, 2004).

Beta weights optimize the link between the predictor and criteria construct. Numerous mathematical techniques, such as least squares and maximum likelihood studies, can be used to calculate these values. Beta weights generally have an absolute value between 0 and 1 (Piedmont, 2014). Pedazhur (1997) cited that, to weigh independent variables so that their sum is ideally related to the dependent variable, beta weights are used when the weights are multiplied by variable scores. This computation aims to reduce squared errors between the dependent variables' observed values and those predicted by the regression equation, as reported by Pedazhur (1997).

According to Nathans, Oswald and Nimon (2012), the main benefit of using beta weights is they provide an easily calculated measure of variable importance and an initial rank ordering of the contributions of independent variables to a multiple regression equation that takes additional independent variables into account. Due to limited focus, beta weights work best as a starting point when examining the contribution of independent variables to a regression equation. All researchers are advised to start multiple regression studies using beta weights as they can be quickly generated using most statistical software programs and can provide an initial rank ordering of variable contributions in a single computation (Nathans, Oswald & Nimon, 2010).

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Table 4. 9: Construct Beta weight value

Construct	Beta weight value	Ranking Number
Attitude towards investment	0.708	1
Subjective norms	0.185	2
Religiosity	0.082	3

Table 4.9 presents the beta weight value of each construct and contribution strength ranking. All exogenous variables, attitude towards investment, subjective norms and religiosity, are found to be statistically significant. Attitude towards investments followed by subjective norms and then religiosity rank highest to lowest regarding how much they contributed to the intention to invest. This is due to, after accounting for all other independent variables in the model, the beta-value reveals which independent variable contributes most strongly and significantly to explaining the dependent variable (Pallant, 2005).

4.5 Hypothesis Testing

When a population parameter assumption is being tested for probability using samples from those populations, hypothesis testing is the most pertinent technique. Although no hypothesis can be proved with 100 percent certainty, it is possible to accept or reject a hypothesis statistically based on degrees of significance and confidence intervals. Therefore, to "accept" or "reject" a hypothesis, one must have enough statistical evidence to support either position.

The study's hypothesis centres on the relationship between attitude toward investment, subjective norms and religiosity, which are the independent variables and intention to invest. The responses of Malaysian millennials were used to measure all of these factors. Each structural path in the model shows a potential relationship between the two variables, which may be used to test its significance. The route coefficient, which is comparable to a regression coefficient (β), is a measure of the unidirectional link between two entities (Fornel, 1982; Pedhazur, 1982).

Hypothesis 1: Attitude towards investment on intention to invest

The first hypothesis in this study is that millennials' attitude toward investment positively impacts their intention to invest in the capital market. Based on the results of the hypothesis testing, it was determined that this variable, which has a P-value of 0.001, which is lesser than the significant value of 0.05, has a highly significant positive impact on the desire to invest. This suggests that

millennials with a favourable attitude towards investment are more likely to do so. Therefore, the first hypothesis is accepted.

Hypothesis 2: Subjective norms

The second hypothesis holds that subjective norms have a positive impact on the intention to invest. The hypothesis test's P-value, which is 0.002 and less than the significant value of 0.05, shows that subjective norms impact millennials' intentions to invest. Furthermore, the results of the hypothesis testing show that the reaction of others around the millennials does affect their intention to invest. Thus, the second hypothesis is accepted, and the result is supported.

Hypothesis 3: Religiosity

The final hypothesis in this study is that religiosity positively influences the intention to invest. The result showed that religiosity does not positively impact the millennials' intention to invest. This hypothesis has a P-value of 0.147, which is greater than 0.05. Hence, the hypothesis is rejected.

Table 4. 10: Hypothesis testing summary

Test	Hypothesis	Hypothesis Decision	Result
Attitude towards investment	H_1 - There is a positive impact on attitude towards investment on the intention to invest.	H_1 is supported. Accepted	Significant (P-value = 0.001)
Subjective norms	H_2 - There is a positive impact of subjective norms on the intention to invest.	H_2 is supported Accepted	Significant (P-value = 0002)
Religiosity	H_3 - There is a positive impact on religiosity on the intention to invest.	H_3 is not supported Rejected	Insignificant (P-value = 0.147)

4.6 Chapter Summary

This chapter discusses analyzing survey responses, assessing unidimensionality, determining measurement validity and reliability, and sharing analysis and hypothesis testing using SPSS and AMOS. One hypothesis is found insignificant, while two other hypotheses have been proven significant. This study's primary finding is that two factors – attitude toward investment and subjective norms – have a positive and direct influence on millennials' intention to invest in the capital market.

The results showed that while religiosity is statistically insignificant and does not have a beneficial impact on intention to invest, attitude towards investment and subjective norms are statistically significant and have a favourable effect on the intention to invest. This finding suggests that while religion does not influence the generation's intention to invest, a favourable attitude about investing and perceived societal pressure did. The analysis also reveals the strength of the three independent variables: attitude towards investment, subjective norms and religion. Attitude toward investment has the biggest influence on the intention to invest, followed by subjective norms, and religiosity has the weakest influence, according to the beta coefficient.

The significance of this finding for practitioners and academics, as well as the contribution to future studies are described in greater depth in Chapter 5.

CHAPTER 5: DISCUSSION AND CONCLUSION

5.1 Discussion

Chapter 5 discusses the findings obtained from the previous chapter upon analyses and testing. The study was conducted to find the factors influencing Malaysian millennials' intention to invest in the capital market. Three factors were tested: attitude towards investment, subjective norms and religiosity to determine whether they impact the intention to invest among millennials. A preliminary developed research model is examined via a questionnaire survey, and the data sample was obtained from 204 respondents consisting of millennials in Malaysia. For analysis and testing, the data collected were run using SPSS and AMOS analysis applications. From the analyses, the study found that attitude toward investment and subjective norms have a positive and significant impact on the intention to invest in the capital market. In contrast, religiosity has an insignificant impact on Malaysian millennials' intention to invest.

5.2 Factors Influencing Intention to Invest Among Millennials in Malaysia.

5.2.1 Attitude towards investment

Attitude towards investment is the first hypothesis tested in this study. The finding indicates that attitude towards investment significantly impacts the intention to invest. The result showed that millennials believed that investing would increase their financial knowledge. It was meaningful, a wise choice and a good idea. According to Fishbein and Ajzen (1975), attitude did influence behavioural intention. Attitude has been proven to influence intention to invest by Allenyne and Broome (2011), Amin (2013), Sondary and Sudarsono (2015) and Widyastuti et al. (2016). In a study by Schmidt (2010), attitude also had a positive and significant effect on the intention to invest in mutual funds. Sumiati et al. (2021) concluded that there is a favourable effect of investment mindset on willingness to invest in Sharia equity mutual funds among millennial

students in Indonesia. Nugraha and Rahadi (2021) concluded that attitude towards behaviour positively impacts stock investment intention. The findings of this investigation support earlier research and show that attitude significantly impacts millennials' intentions to engage in the capital market. It is also concluded that the intention to invest in the capital market is influenced by attitude towards investment.

5.2.2 Subjective norms

The second hypothesis tested in this study is subjective norms. From the analyses, subjective norms significantly positively impact the intention to invest in the capital market. From this finding, it is learned that the millennials will invest if their spouse found it useful, their family approves it, they have colleagues who also participate in the investment, have seen good returns among their friends and if the government encourages it. It has been suggested that subjective norms affect investors' intentions to invest (Alleynne & Broome, 2011; Sondary & Sudarsonno, 2015; Widyastuti et al., 2016). The Millennial generation's intention to invest in Sharia equity mutual funds is significantly influenced by subjective norms, according to Sumiati et al. (2021). However, Nughraha and Rahadi (2021) found that subjective norms have an insignificant impact on the young Indonesian generation on stock investment intention.

According to some research, subjective norms influence investing intention favourably. Colleagues (Xiao & Wu, 2006), family (East, 1993; Korop et al., 2014), significant others (Alleyne & Broome, 2011), friends, and coworkers all have an impact on a person's investment intention (East, 1993). A strong intention to invest will result from the significant others' greater impact. Therefore, it might be assumed that social factors impact on investors' intention to make investments. Additionally, it has been demonstrated that subjective norms, directly and indirectly, impact the intention to withdraw investment funds (Abduh et al., 2011). From the previous research and the result of this study, it is concluded that subjective norms positively impact millennials' intention to invest in the capital market.

5.2.3 Religiosity

In this research study, religiosity is the third hypothesis being tested. The finding of this study showed that religiosity has an insignificant impact on the millennials' intention to invest. This outcome contradicts the findings. From other literature, Newaz et al. (2016) found that one's religiosity is another factor that influences their intention to invest. Additionally, religion will affect financial product choices and investment decisions (Newaz, 2014; Soma et al., 2017). Alam et al. (2012) discovered that religion significantly impacts the intention to use Islamic finance among prospective Muslim customers. Hassan and Abbas (2019) discovered that religious affiliation significantly affects an investor's decision to purchase Takaful insurance. Muslim religiosity (Newaz et al., 2016) and inter- and intra-personal religiosity are two terms that other research has developed for the concept of religiosity. The idea of Muslim religiosity was used by Newaz et al. (2016) to explain the intention to purchase Islamic financial products and found that Muslim religiosity affects consumer attitudes which affect purchasing intentions. According to a study by Al-Alawi (2016), religiosity had a favourable effect on individual investors in the Sultanate of Oman but had an insignificant effect on those in the Kingdom of Saudi Arabia. A study by Sumiati et al. (2021) showed that Muslim religiosity positively impacts the Indonesian Millennial generation's intention to invest. However, one's knowledge of Islamic finance does not significantly affect the intention to invest in Sharia equity mutual funds. Sumiati et al. (2021) also noted that even in nations where Muslims make up most of the population, this does not necessarily mean that people will eventually invest in this financial instrument and Sharia equity mutual funds.

5.3 Limitations of the Research

Like every other empirical research, this study has some limitations. Therefore, when analysing and using the results, it is important to keep the study's limitations in mind. Although this study can assist in understanding the factors influencing the intention of millennials in Malaysia to

invest in the capital market, there are many other factors to be studied to know further and how the study's insight can improve financial literacy among millennials.

Simple random sampling was employed in this investigation to obtain the data; however, the total sample size is only 204 respondents. Thus, the result might be limited and less accurate. Furthermore, the data was collected through an online survey; thus, the finding is limited and may receive random responses from the participants in this study. Therefore, the conclusions were only partially accurate depending on the respondents' responses to the question.

This study's other limitation is that it only tested three independent variables: attitude towards investment, subjective norms and religiosity. Thus, the result of this research is not wide enough to understand further factors influencing the millennials' intention to invest in the capital market, which can help the industry and authorities improve the investment products in the capital market to increase the interest among the millennials to invest.

5.4 Future Research

It is already learned that attitude towards investment, subjective norms and religiosity impact millennials' intention to invest in the capital market, positive or negative. This study has provided a critical foundation for future studies on the three variables that affect the intention to invest.

For future studies, it is recommended to expand the sample size to a bigger number to have more precise and realistic outcomes in this research. On top of conducting online surveys, future researchers can still do traditional dispersed questionnaires. A suitable location must be considered; in this case, a location like the nation's capital may have a wider range of responses and respondents. A place like a city centre is a melting pot for numerous individuals from various origins and personalities.

It also suggested that future researchers continue the investigation by incorporating new constructs like personality traits, psychological aspects, perceived behavioural control (Alleyne & Broome, 2011; Mahastanti & Hariady, 2014; Xiao & Wu, 2006), social pressure (Schmidt,

2010), perceived financial cost (Amin, 2013), risk preference (Mahastanti & Hariady, 2014), service satisfaction (Xiao & Wu, 2006) and financial literacy (Aren & Aydemir, 2015) or a variety of marketing strategies to gauge the intention of the younger generations to invest in the capital market.

In order to enhance people's investment understanding of Islamic financial instruments and their impact on many types of financial behaviour, it is advised that Islamic financial literacy be explored in future research.

Another investment study is also proposed, such as comparing capital market products with other financial products, which is also intriguing to research.

5.5 Conclusion

This study was designed to provide empirical data and theoretical analysis to investigate how the attitude towards investment, subjective norms and religiosity affect the intention to invest in the capital market among the millennials in Malaysia. The data collected has been analysed and tested, and the finding showed that attitudes toward investment and subjective norms positively impact the millennials' intention to invest in the capital market. In contrast, religiosity has an insignificant impact on the millennials' intention to invest in the capital market.

Further, to obtain better and more reliable results, future researchers should take a larger sample into account. More variables are recommended to be introduced in the future study so that more information can be gained to understand better the factors influencing the millennials' intention to invest. The future study will assist the industry and experts on enhancing the capital market's investment products to spur interest in investing among millennials.

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APPENDICES

APPENDIX 1

Questionnaire on: FACTORS INFLUENCING MALAYSIAN MILLENNIALS' INTENTION TO INVEST IN THE CAPITAL MARKET

Dear Respondent,

My name is Mardhiyah Hanim Binti Mohd Rafdi. I am a post graduate student at University Tun Abdul Razak (UNIRAZAK) and currently pursuing my Masters in Business Administration (Investment and Financial Planning)

I am conducting a dissertation on FACTORS INFLUENCING MALAYSIAN MILLENNIALS' INTENTION TO INVEST IN THE CAPITAL MARKET as part of the program requirement. I would greatly appreciate your cooperation with this project by filling the attached questionnaire. The following questionnaire is consisting of Section A and Section B and will take approximately 5 to 10 minutes to complete. The data collected will be strictly used for study purpose and information will be treated as confidential and no personal details are required.

Thank you for taking your time in my questionnaire. I am grateful in advance for your kind participation and valuable contribution to my research.

Section A: Demographic Profile		
Age	21-25	
	26-30	
	31-35	
	36-40	
	41 above	
Gender	Male	
	Female	
Education level	High School	
	SPM	
	STPM	
	Foundation	
	Certificate	

	Diploma	
	Degree	
	Master	
	PhD	
	Professional Certified	
	ACCA	
Investment Experience	0-3	
	4-7	
	7-10	

Section B: FACTORS INFLUENCING MALAYSIAN MILLENNIALS' INTENTION TO INVEST IN THE CAPITAL MARKET

Please indicate your opinions on a 5-point scale to the following statements regarding factors influencing intention to invest.

Section B					
Attitude towards Investment (ATT)					
	Strongly agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
I think that investment can enhance the financial knowledge of individuals					
I think that investing is meaningful					
I think that it is wise for me to engage in investment					
I think that engaging with investment is interesting					
I think that investment is a good idea					

Subjective Norms (SN)					
	Strongly agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
I will participate in investment if my spouse thinks it is useful					

I will participate in investment if my family approves it					
I will participate in investment if my colleagues do					
I will participate in investment if I have proven friend success on it					
I will participate in investment if the government encourages it					

Religiosity (RG)					
	Strongly agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
I believe that Allah (God) helps me.					
I perform the obligation of Zakat					
I prefer to invest in Shariah-Compliant companies					
I seek to make my investment based on the Islamic jurisprudence.					
I give great importance to invest in companies that rely on the Islamic banking system.					

Intention to Invest (II)					
	Strongly agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
I intend to engage in investment in the near future					
I expect that I will engage in investment activities in the near future					
I can stand the inconvenience caused by investment					
I will recommend others to invest in the stock market					
Do you need time before engaging in investment?					

APPROVAL PAGE

TITTLE OF PROJECT PAPER:		**FACTORS INFLUENCING MALAYSIAN MILLENNIALS' INTENTION TO INVEST IN THE CAPITAL MARKET**
NAME OF AUTHOR	**:**	**MARDHIYAH HANIM BINTI MOHD RAFDI**

The undersigned certify that the above candidate has fulfilled the condition of the project paper prepared in partial fulfilment for the degree of Master of Business Administration.

SUPERVISOR

Signature : _____

Name :

Date :

ENDORSED BY:

_____

Dean

Graduate School of Business

Date: