Women and Investment Decision in Sharia Instruments: Moderating Effect of Financial Spirituality Orientation

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WOMEN AND INVESTMENT DECISION IN SHARIA INSTRUMENTS: MODERATING EFFECT OF FINANCIAL SPIRITUALITY ORIENTATION

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Abstract
This research is based on a gap in authority between men and women in making investment decisions where women are considered less financially literate and less struggling. Therefore, this study examines how financial literacy and trust affect women’s investment decisions in Sharia instruments with financial spirituality orientation as a moderating factor. The sample was selected from 256 women on the northeastern coast of Central Java, Indonesia. Structural Equation Modeling with a Partial Least Square method was used to test the data. The findings showed that the higher the financial literacy, trust, and financial spirituality orientation, the better the decision level in the Sharia investment decisions. The financial spirituality orientation strengthens the influence of financial literacy on Sharia investment decisions. However, financial spiritual orientation cannot intervene in trust in financial institutions. This finding suggests that women consider their spiritual beliefs while making financial decisions, but spirituality cannot nullify trust’s ability to affect Sharia investment choices. The implication is that when gender equality is acknowledged, women can get an education, work, income, and be more financially literate. The role of financial spirituality is in its mission of establishing the life-balances.

Keywords: Financial Literacy; Trust; Financial Spirituality; Investment; Women.
A. Introduction

Women are more susceptible to financial issues since they usually manage family finances insufficiently to satisfy diverse needs. A study revealed that the male group, particularly married men, had high behavioral and financial literacy ratings (Hizgilov & Silber, 2020). The gap results from psychological mechanisms at work that create a belief in financial understanding and mental risk acceptance (Chen & Garand, 2018). Additionally, non-numerical factors and negative preconceptions about women are linked to the gender gap in financial literacy and affect anxiety (Tinghög et al., 2021). In patriarchal societies, women have less financial literacy than males, whereas in matriarchal societies, women have full access to the financial system (Rink et al., 2021; Hamid et al., 2023). Meanwhile, Prasad (2021) discovered that investing decisions were influenced by gender and financial literacy, and women preferred to avoid risk.

The family’s financial management places a high premium on providing for basic needs; therefore, picking investment is not a top concern. Due to their childbearing and family care responsibilities, women have less access to the labor market and, hence, fewer financial resources (Lusardi, 2012). Women typically prioritize spending money on their children’s education and future needs (Salim & Khan, 2020; Safarida et al., 2023). Because the husband controls the family’s finances and the women handles domestic tasks, married women have lower literacy rates than married men (Aguiar-Díaz & Zagalaz- Jiménez, 2021). Indian families, however, use responsibility agreements when making financial decisions, where the wife invests in the short-term money market. At the same time, the husband invests in riskier long-term investments like real estate (Sharma & Kota, 2019; Hendra, 2021).

Financial literacy is the capacity to properly manage finances, which relates to essential income expenditures and receipts to comprehend interest, savings, inflation, and debt (Fernandes et al., 2014; Maziriri et al., 2018; Toosi et al., 2020; Mastura et al., 2023). Several investigations have revealed various conclusions regarding how financial literacy affects
investment choices. Financial literacy did not affect investment decisions (Ademola et al., 2019; Azzaki et al., 2023). Heuristic biases will be reduced as financial literacy increases, improving investors in the money market (Özen & Ersoy, 2019). Meanwhile, other studies have shown that financial literacy affects investment decisions for male and female investors (Adil et al., 2021). In the case of women, they are cautious investors since they are aware of the market's hazards and volatility; as a result, they do not focus only on one type of instrument (Koti, 2019). Working women have high financial literacy and, therefore, have the opportunity to invest from the excess income they have (Asandimitra et al., 2019).

Individual investment decisions are also influenced by their level of trust in financial and investment institutions. In the Netherlands, trust positively influences household financial decisions (Delis & Mylonidis, 2015). It should be noted that early-stage investing demands a higher level of trust (Bottazzi et al., 2016). Investment advisors must put in much effort to win over potential investor’s trust in their ability to make investment recommendations (Ritzer-Angerer, 2018). Farmers in Nigeria base their investment decisions on risk, time, and trust, yet a high level of trust discourages them from funding low-risk and low-return projects (Ambali & Begho, 2021).

Numerous studies have demonstrated a positive relationship between spirituality and investment choices. Spirituality and financial judgment must be combined for the survival and well-being of the people they serve (McCuddy & Pirie, 2007). Financial executives with prophetic traits adhere to the altruism principle and make better financial decisions (Muhammad & Akbarzadeh, 2012). Spirituality is part of the transcendental and non-financial model. However, it is a driving factor and priority for humans in decision-making (Vera & Nuño, 2017). Indian small company owners’ spirituality and religious convictions affect their decision to get a life and commercial insurance (Gill et al., 2018). Low-spiritual people tend to spend money on self-esteem needs, and conversely, those with high spirituality are more likely to spend money on social and meaningful needs.
(Dong et al., 2019; Muliani et al., 2022; Muksal et al., 2023). Furthermore, other researchers found that religiosity and belief were related to attitudes toward investing in the Malaysia Stock Exchange (Md Husin et al., 2021).

Trust is the basis of implementing the relationship between one party and another within a certain period. Trust includes integrity, honesty, and the ability of related parties to commit and fulfill promises (Paul et al., 2016). Many researchers have tested the effect of trust on investment decisions. Lack of trust affects the adoption of Sharia-based financing in Pakistan (Hanif & Iqbal, 2010). Trust in financial institutions positively affected Ghanaian people’s saving decisions (Baidoo & Akoto, 2019). Sources of information strongly influence investment decisions when Muslim investors in Malaysia have low product knowledge (Yusuff et al., 2020). Trust plays a vital role in investors’ financial decisions, especially when they face an unfamiliar investment opportunity (Shao & Wang, 2021). Other studies found that trust affects investment decisions on Islamic stock instruments (Anisa & Kholid, 2022; Wardiwiyono & Imron, 2022).

Religion influences the behavior of its people in investment and financial decisions in Indonesia as a Muslim-majority country (Fitriyani & Anwar, 2022). However, Islam also considers men and women equal in the view of Allah as in Qur’an 4: 24, and both men and women have a responsibility for wealth from how to earn and spend according to Islamic Sharia (Mahadi et al., 2019). Based on research gaps and these phenomena, this study examines how women decide to invest in Sharia instruments. As we navigate this exploration, we uncover the multifaceted dimensions underpinning the synergy between women’s economic empowerment and the principles of Islamic investment, ultimately highlighting the progressive strides in creating a more inclusive and ethical financial ecosystem.

B. Method

This research used a quantitative approach with Sharia investment decision (SID) as an endogenous variable, while exogenous variables included financial literacy (FL), trust (TR), and financial spirituality.
orientation (FSO). The FSO is also a moderating variable that plays a role in strengthening or weakening the relationship between variables (Ghozali, 2018). The sampling technique was random sampling to select respondents who had their income or acted as household finance managers.

Financial literacy variables replicate the measurements of Atkinson and Messy (2012) by answering eight questions about financial knowledge (FL1), eight questions about financial behavior (FL2), and three questions about financial attitudes. Furthermore, the result of these answers was extracted into four quadrants, where a value of 4 means a good score (76-100), 3 is sufficient (51-75), 2 is lacking (26-50), and 1 is not having financial literacy (0-25). The categories were determined based on the percentage of correct answers from filling out the questionnaire on each measurement, i.e., the percentage of total correct answers divided by the highest total score.

The trust variable was measured by five statements that had to be answered by respondents, with a Likert scale of 4 to strongly agree to 1 to strongly disagree. This research indicator refers to the measurements proposed by Yang (2020), including confidence in information accuracy (TR1), access to information (TR2), domestic preferences (TR3), sources of information (TR4), and investment familiarity (TR5). The FSO variable included three statements: the purpose of life (FSO1), gratitude for fortune (FSO2), and considering the rights of others in the assets owned (FSO3), such as for charity. Meanwhile, the Sharia investment decisions variable refers to the indicators used by Raut (2020), modified from a Sharia perspective, with three indicators: the frequency of investing (SID1), the desire to recommend investing (SID2), and the willingness to invest shortly (SID3). The investment was not limited to a particular type of investment but rather to investing funds to earn profits within a certain period.

This research used a Structural Equation Modeling with Partial Least Squares (SEM-PLS) analysis technique. Several stages in testing with PLS included outer model analysis, inner model analysis, and hypothesis testing. These stages were employed to test the validity and reliability of the
indicators through convergent validity, discriminant validity, and construct reliability. Convergent validity was measured by a loading factor value greater than 0.7 to measure the variable construct and an Average Variance Extracted (AVE) greater than 0.5. Discriminant validity was calculated by constructing a correlation with the principal measurement of each indicator (cross-loading) greater than 0.5.

In addition, the Fornell-Larcker criterion was also utilized. The path coefficient and the coefficient of determination ($R^2$) were used to measure the structural model. Furthermore, the model measurements were based on acceptable cut-off values with outer loading of > 0.6, average variance extracted (AVE) of > 0.5, composite reliability (CR) of > 0.7, and Cronbach’s alpha of > 0.7 or 0.6, considered acceptable and have shown high reliability (Latan & Ghozali, 2012; Hair, 2007). Meanwhile, hypothesis testing was done by looking at the fit model test, with a significance level of less than 0.05.

C. Result and Discussion

The returned and completed questionnaires were 256 respondents, with variations of age, marital status, level of education, occupation, and range of income received or managed per month.

1. Result

The section displays a series of data and statistical test results. The tables in this section include respondent demographics, descriptive statistics, model feasibility tests, and hypothesis tests for direct and indirect effects. This section also displays the result of the hypothesis of whether these exogenous variables have a partial effect on the endogenous variable. Furthermore, it tests whether the moderating variables impact the relationship between them.

Table 1. Demographics of respondents

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 30</td>
<td>53</td>
<td>20.70</td>
</tr>
</tbody>
</table>
Table 1 show the percentage of highest respondents’ responses based on age in the range of 40-50 years was 38.67%, 77.73% had married status, 38.28% were at the senior high school education level, 39.45% worked as private employees, and 58.59% had income less than five million rupiahs per month.

Table 2. Descriptive statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>Min</th>
<th>Max</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Literacy</td>
<td>256</td>
<td>3.094</td>
<td>1.000</td>
<td>4.000</td>
<td>0.376</td>
</tr>
<tr>
<td>Trust</td>
<td>256</td>
<td>3.102</td>
<td>2.000</td>
<td>4.000</td>
<td>0.304</td>
</tr>
<tr>
<td>Financial Spirituality Orientation</td>
<td>256</td>
<td>3.388</td>
<td>2.000</td>
<td>4.000</td>
<td>0.389</td>
</tr>
<tr>
<td>Sharia Investment Decision</td>
<td>256</td>
<td>3.145</td>
<td>2.000</td>
<td>4.000</td>
<td>0.323</td>
</tr>
</tbody>
</table>

Table 2 presents descriptive statistics of overall variables, including sample (N), average (Mean), respondents’ answer minimum score (Min), respondents answer maximum score (Max), and standard deviation (STDEV). The mean of financial literacy, trust, financial spirituality
orientation, and sharia investment decision, alternately, were 3.094, 3.102, 3.388, and 3.145. The minimum financial literacy score was 1, and the maximum was 4. The minimum score of trust, financial spirituality orientation, and sharia investment decision were 2, and the maximum score was 4. Moreover, in sequence, the STDEV of all variables were 0.376, 0.304, 0.389, and 0.323.

The following table displays the outer loading test for each variable without interaction with other variables. Outer loading is a table containing loading factors to show the magnitude of the correlation between indicators and latent variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Constructs</th>
<th>Loading Value</th>
<th>AVE</th>
<th>CA</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Literacy</td>
<td>FL1</td>
<td>0.723</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FL2</td>
<td>0.787</td>
<td>0.577</td>
<td>0.633</td>
<td>0.804</td>
</tr>
<tr>
<td></td>
<td>FL3</td>
<td>0.768</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>TR1</td>
<td>0.720</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TR2</td>
<td>0.817</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TR3</td>
<td>0.797</td>
<td>0.606</td>
<td>0.836</td>
<td>0.885</td>
</tr>
<tr>
<td></td>
<td>TR4</td>
<td>0.829</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TR5</td>
<td>0.723</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Spirituality</td>
<td>FSO1</td>
<td>0.730</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orientation</td>
<td>FSO2</td>
<td>0.791</td>
<td>0.602</td>
<td>0.668</td>
<td>0.819</td>
</tr>
<tr>
<td></td>
<td>FSO3</td>
<td>0.804</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharia Investment Decision</td>
<td>SID1</td>
<td>0.724</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SID2</td>
<td>0.882</td>
<td>0.671</td>
<td>0.751</td>
<td>0.859</td>
</tr>
<tr>
<td></td>
<td>SID3</td>
<td>0.844</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3 below presents single variables’ loading value, AVE, Cronbach alpha (CA), and composite reliability (CR). Initial testing was done by testing the loading value of each indicator. This convergent validity test was used to determine the relationship between the indicator and its latent variable by looking at the loading value. The loading values of three financial literacy indicators (FL1, FL2, and FL3, were 0.723, 0.787, and 0.768. The loading values of five indicators of trust (TR): TR1, TR2, TR3, TR4, and TR5 were 0.720, 0.817, 0.797, 0.829, and 0.723. Furthermore,
the loading values of three indicators of financial spirituality orientation (FSO), FSO1, FSO2, and FSO3 were 0.730, 0.791, and 0.804. Meanwhile, the loading values of three indicators of sharia investment decision (SID), SID1, SID2, and SID3 were 0.724, 0.882, and 0.844. The loading value in Table 4 was more significant than 0.7; hence, all indicators met the validity requirements.

The AVE value is valid if the resulting value exceeds 0.5. In Table 4, the resulting AVE value was more significant than 0.5 for overall variables. The AVE values of financial literacy, trust, financial spirituality orientation, and sharia investment decision, in order, were 0.577, 0.606, 0.602, and 0.671. The CR values, sequentially, were 0.804, 0.885, 0.819, and 0.859. The overall value of CR was more significant than 0.7. While the CA value of all variables was above 0.6, where financial literacy was 0.633, trust was 0.836, financial spirituality orientation was 0.668, and sharia investment decision was 0.751. Thus, the resulting AVE, CR, and CA values were valid and reliable because the requirements had been met.

Table 4. Outer loading of moderating variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Constructs</th>
<th>Loading Value</th>
<th>AVE</th>
<th>CA</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Literacy x Financial Spirituality Orientation</td>
<td>ME1</td>
<td>1.121</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Trust x Financial Spirituality Orientation</td>
<td>ME2</td>
<td>1.168</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Table 4 also presents the value of outer loading, AVE, CA, and CR for moderating variables. The moderation effect 1 (ME1) is the interaction between financial literacy and financial spirituality orientation. Meanwhile, the moderation effect 2 (ME2) is the interaction between trust and financial spirituality orientation. The outer loading values of ME1 and ME2 were 1.121 and 1.168. All moderating variables' AVE, CA, and CR values were 1. The results show that the values fit the required standards, making the moderating variables valid and reliable.
Table 5. Fornell-larcker criterion values

<table>
<thead>
<tr>
<th>Variables</th>
<th>FL</th>
<th>FSO</th>
<th>ID</th>
<th>ME1</th>
<th>ME2</th>
<th>TR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FL</td>
<td>0.760</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSO</td>
<td>0.260</td>
<td>0.776</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SID</td>
<td>0.465</td>
<td>0.283</td>
<td>0.819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME1</td>
<td>0.166</td>
<td>0.131</td>
<td>0.352</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME2</td>
<td>0.295</td>
<td>0.146</td>
<td>0.290</td>
<td>0.565</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>TR</td>
<td>0.411</td>
<td>0.197</td>
<td>0.487</td>
<td>0.307</td>
<td>0.332</td>
<td>0.778</td>
</tr>
</tbody>
</table>

Table 5 exhibits the discriminant validity that was carried out to ensure that each concept of each latent variable differed from other variables by using the Fornell-Larcker Criterion (FLC). The FLC test in this study produced a score of financial literacy of 0.760, financial spirituality orientation of 0.776, sharia investment decision was 0.819, moderating effect 1 (financial literacy x financial spirituality orientation) was 1.000, moderating effect 2 (trust x financial spirituality x financial spirituality orientation) was 1.000, and trust was 0.778. The model is established from these results because the correlation between the variables is more significant than the correlation between the variables.

Table 6. Coefficient of determination

<table>
<thead>
<tr>
<th>Variable</th>
<th>Without Moderation</th>
<th>With Moderation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R Squared</td>
<td>R-Squared Adjusted</td>
</tr>
<tr>
<td></td>
<td>R Squared</td>
<td>R-Squared Adjusted</td>
</tr>
<tr>
<td>Sharia Investment Decision</td>
<td>0.340</td>
<td>0.332</td>
</tr>
<tr>
<td></td>
<td>0.377</td>
<td>0.364</td>
</tr>
</tbody>
</table>
the model influenced the remaining 63.6%. This contribution is low, so there is an opportunity to explore factors influencing Sharia investment decisions. An increase in the coefficient of determination between with moderation and without moderation indicates that financial and spiritual orientation strengthens the contribution of financial literacy and trust on Sharia investment decisions.

![Figure 1. Empirical test model](image)

The path in Figure 1 shows the relationship between several variables in the model, moderation variables, loading value, and coefficients on each of the relationships among variables.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coeff.</th>
<th>T Stat</th>
<th>P-Values</th>
<th>Conclusion</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>FL --&gt; SID</td>
<td>H1</td>
<td>0.287</td>
<td>4.679</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>TR --&gt; SID</td>
<td>H2</td>
<td>0.288</td>
<td>3.767</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>FSO --&gt; SID</td>
<td>H3</td>
<td>0.127</td>
<td>2.566</td>
<td>0.011</td>
<td>Significant</td>
</tr>
<tr>
<td>(FL x FSO) - --&gt; SID</td>
<td>H4</td>
<td>0.193</td>
<td>3.010</td>
<td>0.003</td>
<td>Significant</td>
</tr>
<tr>
<td>(TR x FSO) -- &gt; SID</td>
<td>H5</td>
<td>-0.027</td>
<td>0.424</td>
<td>0.672</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

At this stage, hypothesis testing was used to conclude the sample being tested. This test employed a Structural Equation Model-Partial Least Square (SEM-PLS). From Table 7, the coefficient value for financial literacy
on investment decisions was 0.287, financial spirituality orientation on Sharia investment decisions was 0.127, the interaction of financial literacy and financial spirituality orientation on Sharia investment decisions was 0.193, the interaction of trust and financial spirituality orientation on sharia investment decisions was -0.027, and trust on sharia investment decision was 0.288. All variables affected the Sharia investment decision, except for the interaction between trust financial spirituality orientation and moderating effect 2, because the P-values were more significant than 0.05.

The test results showed that sharia investment decisions were positively influenced by financial literacy, financial spirituality orientation, and trust. In addition, the interaction between financial literacy and spiritual orientation affected sharia investment decisions. Meanwhile, financial spiritual orientation did not moderate the influence of trust on Sharia investment decisions and had a negative direction.

2. Discussion

Statistical analysis showed that financial literacy positively affects Sharia investment decisions. The results support the earlier research by Alaaraj and Bakri (2020), which found that knowledge and financial literacy influenced the investment decision-making process. Specifically, these results support research by Anisa and Kholid (2022) and Malkan et al., (2022) that found that financial literacy affected Sharia investment in the Islamic capital market. These findings are consistent with the idea that financial literacy is connected to the capacity for making informed decisions and efficiently managing finances. The financial strategy must offer investing, saving, and pension funds options. A sound financial framework for the present and future should be the goal of maximizing financial functions and advantages. Everyone is responsible for ensuring that whatever money they spend can be utilized to earn income from investment opportunities.

This study finds that trust positively affects sharia investment decisions among women investors. It supports the previous studies by
Hanif and Iqbal (2010) and Anisa and Kholid (2022) that trust influences the choice of sharia investment product. Women investors, in this case, are attentive to the existence of investment products by recognizing sources of information, accuracy, and investment familiarity. Investor motivation will increase if information is more readily accessible, reliable, and reputable.

This research also demonstrates how Sharia investment decisions are favorably impacted by financial spirituality orientated. In addition, the research on investment decisions has not extensively examined spirituality. Nevertheless, this study attempts to test these factors because numerous investing institutions provide spiritual value-based investment products. The findings of this study, including non-material life goals, appreciation, and readiness to share with those less fortunate, indicate that spirituality, including non-material life goals, gratitude, and willingness to share with those less fortunate, influenced investment decisions. These results confirm the previous research carried out by Al-Hosaini and Sofian (2015), Zainudin et al., (2019), Dong et al. (2019), and Md Husin et al., (2021) that spirituality as a non-financial aspect affected investment decisions, especially on sharia instruments. Meanwhile, when FSO interacted with financial literacy and trust variables, it revealed different results, where its interaction with financial literacy affected Sharia investment decisions. In contrast, its interaction with trust did not affect sharia investment decisions. The research of Hameed et al., (2018) is also supported by the role of spirituality as a moderating factor.

Duchrow (2014) considered that money and spirituality are opposites; money will not be able to serve God, or money increases the individual’s ego, but humanity has given birth to a spirit of generosity through sharing. In this case, assume that individuals with sound financial literacy will tend to invest in getting a profit because they already have a reasonably good allocation. It can be used as a rationality that by investing, people will receive benefits, and thus, money will be more socially beneficial. However, financial spirituality orientation did not moderate the influence of trust on investment decisions, which can be caused by trust in
tangible investment institutions, so spirituality could not intervene in the relationship. Regarding spirituality, religiosity, and money, Banerjee and Bloom (2015) agreed that human life has a purpose beyond material existence. To attain spiritual salvation, one way to curb material excess is through austerity, moderation, and compassion.

As we know, Islamic financial practices have received significant attention within the national financial system. Meanwhile, according to God’s rule of human relationships (fiqh muamalah), the development of Islamic financial products must be based on the idea of caution and adherence to sharia law (Qoyum, 2018). Likewise, maqasid sharia in financial institutions embraces all facets of financial transactions and human life in general (Elahi, 2012). The research findings provide insight into women’s financial behavior in investing decision-making in Sharia instruments, which is also determined by spiritual-based financial orientation.

This research indicates that a better understanding of financial literacy, increased trust, and intense spirituality can enhance the quality of investment decisions. However, trust in financial institutions cannot be moderated by spirituality or religion. Sharia investment institutions will gain the trust of a community if they can provide the best access to information, provide transparent sources of information, be updated, fulfill domestic preferences, and be familiar with the investment.

D. Conclusion

This study produced several significant findings. First, the decision to invest in a Sharia instrument is positively impacted by financial literacy. Second, trust has a positive impact on Sharia investment decisions. Third, the Sharia investment decision is also influenced by financial spirituality. There are two distinct outcomes in the relationship of moderating effect. First, the influence of financial literacy on Sharia investment decisions is positively moderated by financial spirituality orientation. Second, a financial or spiritual orientation cannot moderate the impact of trust on Sharia investment decisions. These findings support the theory and earlier
studies regarding how financial literacy affects investment choice. Similarly, trust and financial spirituality impact investors’ decision to utilize Sharia financial products. Trust cannot be regulated by financial spirituality orientation in Sharia investment decisions.

Based on the findings, this study also provides several important implications. First, Sharia investments are selected using the investors’ rationality following financial management and mathematical computations. Female investors share a crucial role and bear great financial responsibility. If the sharia investment generates a respectable profit without taxing their financial resources, the decision to invest in the instrument was sound. Second, trust pertains to the assurance of the security of the investment monies. Investors might choose to invest in Sharia-compliant securities if it ensures their security. Third, the orientation toward financial spirituality is a psychological and transcendental aspect that affects resolve and belief but significantly influences decision-making. Islamic financial products require sufficient internal motivation from investors because they do not have as many investors as their counterparts. In addition to a profit-driven mindset, Sharia investors require a greater purpose, such as charity and aid.

This study introduces the concept of financial spirituality orientation and shows that it also positively impacts Sharia investment decisions. By considering non-financial aspects, the research provides a more holistic understanding of the factors influencing investment behavior. It helps us to view investments not only from a financial perspective but also from psychological and spiritual viewpoints.

Bibliography


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