



## Factors influencing investment decision making in the capital market (Case study at PT. Phillip Sekuritas Indonesia, Ambon branch)

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### ABSTRACT

This study aims to thoroughly examine the factors that influence investment decisions in the capital market, especially investors who invest in PT. Phillip Sekuritas Indonesia Ambon Branch. Data was collected using a google form-based questionnaire instrument involving 60 investor respondents who actively invest in PT. Phillip Sekuritas Indonesia Ambon Branch. Data is processed and analyzed using the SmartPLS 3.0 software application. The results of this study indicate that (1) the risk perception variable directly has a significant effect on investment decisions in the capital market; (2) the self-efficacy variable has a significant effect on investors' investment decision variables in the capital market. The existence of this research will have implications for the level of knowledge and awareness of the level of investment risk and self-efficacy owned by an investor, so that decisions can be made more effectively, considering that some investment products are high risk. This research offers an empirical model that explains the factors that influence investment decisions in the capital market by using a research model that combines psychological and demographic factors in making investment decisions in the capital market, so this research is important to do in order to add contribution and dedication to the literature review.

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## INTRODUCTION

Investment is a term with several meanings related to finance and economics. (Arishahidin et al., 2021) Sometimes investment is also called investment. In investing in the capital market, investors will be offered several capital market instruments, one of which is shares. A share certificate is a document as proof of ownership of a company. In investing in shares, investors will benefit both from the distribution of company dividends and from the difference between the purchase price and the selling price of shares (capital gain). (Witakusuma et al., 2018) Specifically, investment can be interpreted as an investment. One form of investment that is often used is investing in the capital market. Investment decisions can be reviewed from 2 (two) aspects, namely from an external perspective and an internal perspective. First, investment decisions can be viewed from an external perspective through the buying and selling of securities on the stock exchange designed to allocate

and raise capital. From this perspective, investment decisions can be further elaborated in the field of financial management. Second, making investment decisions from an internal perspective, that is, making investment decisions through internal corrections, so as to optimize firm value through investment decision making. Making the decision to invest is a difficult decision.

Investing in the capital market is an investment alternative that is easily accessible to the wider community, but investment activity for an investor is still relatively new for the people of Indonesia because when compared to other countries, the behavior of the Indonesian people to invest is still quite low, this is explained by PT. Indonesian Central Securities Depository (KSEI), where KSEI recorded several operational performance improvements. (Witakusuma et al., 2018) Therefore, to improve investment decision making in the capital market one must analyze the factors that are influenced by the financial investment behavior of an investor during the investment decision making process. The Capital Market is a place used by investors and issuers in buying and selling bonds, stocks, mutual funds and other long-term instruments (IDX). The existence of the capital market is a place to make investments that are guaranteed to provide many benefits for investors to invest. (Fridana & Asandimitra, 2020) The position of the existence of the capital market as a place to invest has been guaranteed to provide benefits for investors to make investments. The capital market is also an attractive investment destination for domestic and foreign investors.

The phenomenon that can be taken from the distribution of domestic investors in Figure 1.1 above, is that if examined from the map distribution data of domestic areas centered on Java Island as many as 69.33 percent of investors, Kalimantan Island as many as 5.46 percent of investors, Sulawesi Island as many as 4.13 percent of investors, Bali Island, NTT & NTB as many as 3.34 percent of investors, Sumatra Island as many as 16.73 percent of investors, and the least in Maluku and Papua Provinces as much as 1.01 percent of investors.

According to the statistical data on SID shares in Ambon City in Figure 1.2, it is explained that the number of investors in the capital market in Ambon City in the last 3 years has continued to increase. It can also be seen that in 2019, the number of SID shares in Ambon City reached 1,574 SID (single investor identification). This figure shows an increase in investors by 748 SIDs, namely in 2020 the number of investors reached 2,322 SIDs. After that, in 2021 the number of investors in Ambon City will increase, reaching 4,089 SID.

Stock investments made by investors through related securities companies, securities in this case are meant as proof of ownership of shares in a public company. A securities company is a company that has obtained an official business license from the OJK (Financial Services Authority) to be able to carry out business activities as a securities dealer, underwriter, or other activities in accordance with the provisions and regulations of the capital market supervisor. In this study the researcher intends to take a security to become an object or place in this study, the object of research in question is PT. Phillip Sekuritas Indonesia Ambon Branch, at this security also provides online trading facilities with the aim of obtaining easy, accurate and complete market information.

PT. Phillip Sekuritas Indonesia is a trusted securities company that has been present in Indonesia since 1994, Phillip Sekuritas Indonesia is part of the Phillip Capital Group which has a global network in 16 countries. Since 1975, Phillip Capital has developed as an integrated Asian Financial Institution and generally offers a wide range of quality and innovative services to retail, corporate and institutional customers. Phillip Sekuritas is also the best online trading system with many choices of investment types in Indonesia, such as gold, property, stocks and mutual funds. PT. Phillip Sekuritas Indonesia in this case makes it very easy and reachable to invest and is committed to educating and inviting the public to invest.

The online trading system at Phillip Sekuritas is also the best online system for investing in stocks and mutual funds online, and all of them are included in one online trading system called POEMS (Phillip's Online Electronic Mart System). POEMS (Phillip's Online Electronic Mart System) is an intuitive trading platform specifically designed to provide various conveniences for all investors in conducting stock and mutual fund transactions.

The Indonesia Stock Exchange (IDX) has collaborated with several securities companies in terms of providing a system or means to bring investors together to make securities buying and selling offers. Since the opening of the Indonesia Stock Exchange, this form of investment has become an investment alternative that is easily accessible to the wider community. One of the securities companies that cooperate with the Indonesia Stock Exchange (IDX) is PT. Phillip Sekuritas Indonesia.

According to SID PT data, Phillip Sekuritas Indonesia Ambon Branch in Figure 1.3 explains that a phenomenon that can be seen from year to year the number of investors has decreased, namely in 2019 the number of investors was 152 SID and the number of investors decreased in 2020 by 112 SID who registered to transact on the market capital, especially investors who invest with the type of stock investment, and in 2021 the number of investors in PT. Phillip Sekuritas Indonesia's Ambon branch only reached 44 SIDs. Regarding the phenomena previously described, researchers can find a problem that must be studied regarding the decline in the number of investors from year to year. and how an investor must be able to see the perception of risk in the type of stock that will be invested and also self-efficacy as well as self-control of an investor in investing in the capital market, especially in PT. Phillip Sekuritas Indonesia.

### **Behavioral Finance Theory**

This study uses Behavioral Finance Theory (BFT) Behavioral finance assumes that investors have taken an action based on connected psychological abilities, meaning that it is a human decision that is subject to cognitive psychology. Based on the explanation regarding behavioral financial theory, it can be interpreted that a person must be based on his psychological level. A person's actions are not always based on his rational attitude alone, but are also related to his irrational attitude, such as the factors that influence behavioral finance are risk perception and self-efficacy which will be used as financial behavior control variables in this study. (Fridana & Asandimitra, 2020)

### **Risk Perception**

Risk perception is an assessment made by someone towards a risky situation, this assessment depends on the psychological characteristics and condition of the person. (Amaliyyah, 2021) Risk Perception is a person's assessment of a risky situation, where the assessment is highly dependent on the psychological characteristics and circumstances of the person. (Amaliyyah, 2021) Risk perception plays an important role in human behavior, especially in relation to decision making in uncertain circumstances. Someone tends to define a risky situation when they experience a loss due to a bad decision, especially if the loss impacts their financial situation. Several people when faced with the same decision-making situation will make different decisions depending on each person's perception and understanding of the risks and their impacts. (Amaliyyah, 2021)

Risk perception is a person's assessment of a risky situation, this assessment is highly dependent on the psychological characteristics and circumstances of the person. (Amaliyyah, 2021) An investor who has a high level of risk perception will be careful in making investment decisions, while an investor who has a low level of risk perception will dare to make decisions because he already has a lot of experience in investing. (Amaliyyah, 2021) Risk perception is an individual's perspective on the risks they will face. Individuals who have a high risk perception will make a decision with full consideration and vice versa. This is supported by research from (Fridana & Asandimitra, 2020) which states that risk perception has an influence on investment decisions in the capital market. Based on the results of research from Ida Bagus Putu Febri Mahwan & Nyoman Trisna Herawati, 2021 shows that Risk Perception has a significant positive influence on the investment decisions of young entrepreneurs in the capital market. However, research conducted by Zul Fahmi & Rusdi Raprayogha, 2021 shows that risk perception has a significant effect on investment decisions. These results mean that the better the level of individual risk perception will affect decision making in investing.

So, it can be concluded that risk perception is a behavior or characteristic that describes a person who is more likely to be careful in choosing investment products before making an investment, because in that situation someone will prefer the perception of risk that will be easily resolved later in investing in the capital market.

### **Self Efficacy**

Self efficacy is the notion of an individual in his capacity to perform a behavior that should elicit positive overall performance results. (Priyono, 2021) According to (Sari and Anam, 2021) financial self-efficacy is the ability to hone the confidence needed by someone to use the services of related financial products to make their life better. That is, if someone does not have self-efficacy, it is likely that someone will tend to be less confident in using these financial products or services. Mukhid (2009) Self Efficacy is a person's judgment to plan and carry out actions to achieve certain goals. Social cognitive theory sees self-efficacy as a belief in one's own abilities in completing a given task. (Arisyahidin et al., 2021) Self-efficacy is a person's consideration of his ability to complete a job

where this consideration will shape self-perception over a long period of time in assessing his own ability to a task.

Financial self-efficacy is one of the factors that can influence financial decisions, self-efficacy is an attitude that exists in oneself and is inherent, of course one person will have differences with others. Peter Garlans Sina (2013), states that financial efficacy is able to improve financial management so that financial satisfaction can be felt. Danes and Haberrman (2007), stated that financial efficacy has an influence on the decisions taken in managing the finances of adolescents. Likewise Farrell, et al (2015) stated that financial efficacy can influence women's choice of investment assets. The concept of financial efficacy is actually based on the concept of self-efficacy,

Self-Efficacy is formed through three factors, namely: 1. Experience of mastering something (mastery experience) The experience of mastering something is the most influential source in the formation of self-efficacy. Experience of personal success in the past on a task will increase self-efficacy. Conversely, the experience of failure will reduce self-efficacy. 2. Other people's experiences/behavior models (vicarious experience) Observation of past successes of other people with comparable competencies will increase an individual's self-efficacy in doing the same task. Conversely, observing other people's past failures will reduce an individual's assessment of his abilities and reduce the effort he will make. 3. Verbal persuasion (verbal persuasion) Positive verbal persuasion can be in the form of suggestions, support, and guidance that can increase confidence about the abilities of individuals. Conversely, negative verbal persuasion in the form of ridicule, ridicule and insults tends to reduce individual self-efficacy. Financial attitude is a state of mind, opinion and assessment of finances that is owned and applied in an attitude (Hakiki 2021). This condition applies if the individual trusts the party doing the persuasion.

Based on the results of research from Arovia Devi Cahyanti, Arisyahidin, & Abu Talkah, 2021 shows that Self Efficacy has a positive influence on investment decisions. different from the research conducted by Siti Maghfirotul Ummah, Jeni Susyanti, and A. Agus Priyono, 2014 showing that Financial Self-Efficacy has a direct but not significant effect on self-control. These results mean that a person's level of self-efficacy will affect investment decision making.

However, research related to self-efficacy with investment decisions is still rare. Self-efficacy is more commonly used as a predictor of entrepreneurial interest, even though according to Ismail et al. (2017) someone who has high self-efficacy can help them achieve positive financial behavior and overcome any challenges, especially in terms of financial problems. Hagan (2008) also stated that financial self-efficacy (FSE) is a statistically significant predictor of stock market investment decisions and financial information seeking. So it can be concluded that the effect of self-efficacy on investment decisions still needs to be studied further.

### **Investment Decisions in the Capital Market**

An investment decision is an action or policy taken in investing in an asset with the hope of producing a profitable return in the future.(Fridana & Asandimitra, 2020)This investment decision is based on two specific things, namely portfolio and profitability (profit). In general, the main goal of someone investing is none other than to maximize utility to increase their satisfaction.(Fridana & Asandimitra, 2020)According to Ardiansyah (2020) Investment decisions are decisions to allocate or place a certain amount of funds into a certain type of investment to generate future profits for a certain period. Some of the reasons someone makes an investment include meeting family needs, developing wealth, reducing inflationary pressures, saving taxes and the desire to get a better life in the future. Individual investment decisions are decisions to allocate a number of funds made by individuals (not institutions) to gain profits in the future. Individuals will learn how to manage monetary welfare for themselves. Welfare is measured by the sum of income owned by current value with income in the future.(Arisyahidin et al., 2021)According to Abdul Halim (2015) investment is essentially the placement of a number of funds at this time with the hope of obtaining future profits. Basically the goal of people investing is to generate high returns.

Investment decisions are choices made in collecting income from an asset to gain future profits.(Fridana & Asandimitra, 2020)Based on previous studies, there are several factors that influence investment decisions, including risk perception and self-efficacy. Risk perception is a person's assessment of a risky situation, this assessment is highly dependent on the psychological characteristics and circumstances of the person. If someone has a high level of risk perception, they will be careful in making investment decisions, whereas someone who has a low level of risk perception will be brave in making decisions because they already have quite a lot of experience

about investing.(Fridana & Asandimitra, 2020)The theory of factors influencing investment decisions, according to Tandelilin (2010) investment is a commitment to a number of funds or other resources made at this time. The goal is to get some profit in the future. in that sense, investors invest funds in forms such as shares, land, buildings with the aim of obtaining profits in the future. The fundamental thing in the investment decision process is understanding the relationship between the expected return and the risk of an investment(Dewi & Wiagustini, 2022), which means, the greater the expected return, the greater the risk that must be faced.

Likewise, investment decision making by investors who are classified as rational, they invest in order to maximize utility. Investors basically use financial accounting information as a consideration in investment decisions without involving their feelings and enthusiasm.(Dewi & Wiagustini, 2022)The concept of a rational investor in decision-making theory means that in making a decision, the action chosen is the one that will produce the highest expected utility. Investment decision making is inseparable from human behavior which allows for irrational behavior.

From all the explanations that have been explained, it can be concluded that investment decisions in the capital market are taking someone's actions to be able to invest in the capital market, investment decisions in the capital market are also interrelated with self-efficacy and risk perception of an investor in choosing or measuring decisions. investment in the capital market.

## RESEARCH METHODS

The researcher uses a type of quantitative approach method using primary data, namely distributing data using the survey method with the material being an online questionnaire using a Google web form which is based on indicators of related variables to be studied, and given to respondents or investors at PT. Phillip Sekuritas Indonesia Ambon Branch. Determination of the population in this study, namely investors in PT. Phillip Sekuritas Indonesia Ambon Branch totaled 308 SID/investors, while the determination of sampling from the previous population used a purposive sampling method in which the type of sample will not be chosen randomly, but must be selected using several criteria that have been determined in the sampling process, so the sample in this research, namely 60 SID/investors, using several specific criteria, namely (1) Investors who actively invest in shares and have registered with PT. Phillip Sekuritas Indonesia Ambon Branch, (2) Investors who already have a share account at PT. Phillip Sekuritas Indonesia Ambon Branch, and (3) Investors who have invested for the last 3 years in PT. Phillip Sekuritas Indonesia Ambon Branch. The data analysis method was carried out using the SmartPLS 3.0 program to process quantitative data from the answers to the questionnaires to be taken. Data processing will be taken by testing the validity and reliability of constructs, SmartPLS analysis in which there are tests of the outer model and inner model. Phillip Sekuritas Indonesia Ambon Branch, (2) Investors who already have a share account at PT. Phillip Sekuritas Indonesia Ambon Branch, and (3) Investors who have invested for the last 3 years in PT. Phillip Sekuritas Indonesia Ambon Branch. The data analysis method was carried out using the SmartPLS 3.0 program to process quantitative data from the answers to the questionnaires to be taken. Data processing will be taken by testing the validity and reliability of constructs, SmartPLS analysis in which there are tests of the outer model and inner model. Phillip Sekuritas Indonesia Ambon Branch, (2) Investors who already have a share account at PT. Phillip Sekuritas Indonesia Ambon Branch, and (3) Investors who have invested for the last 3 years in PT. Phillip Sekuritas Indonesia Ambon Branch. The data analysis method was carried out using the SmartPLS 3.0 program to process quantitative data from the answers to the questionnaires to be taken. Data processing will be taken by testing the validity and reliability of constructs, SmartPLS analysis in which there is testing of the outer model and inner model. The data analysis method was carried out using the SmartPLS 3.0 program to process quantitative data from the answers to the questionnaires to be taken. Data processing will be taken by testing the validity and reliability of constructs, SmartPLS analysis in which there is testing of the outer model and inner model.

## RESULTS AND DISCUSSION

This research previously distributed questionnaires to investors from PT. Phillip Sekuritas Indonesia Ambon Branch and has produced data that will be processed later, having the characteristics of respondents/investors, as follows:

### Gender

**Table 1.** Characteristics of Respondents Based on Gender

Gender	Amount	Percentage
Man	24	40%
Woman	36	60%
<b>Total</b>	<b>60</b>	<b>100%</b>

Source: Primary data processed in 2022

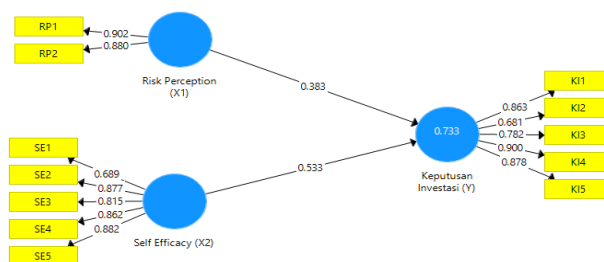
### Investment Experience

**Table 2.** Characteristics of Respondents Based on Investment Experience

Investment Experience	Amount	Percentage
< 1 year	45 Investors	75%
13 years old	13 Investors	21.7%
35 years old	2 Investors	3.3%
> 5 Years	0 Investors	0%
<b>Total</b>	<b>60 Investors</b>	<b>100%</b>

Source: Primary data processed in 2022

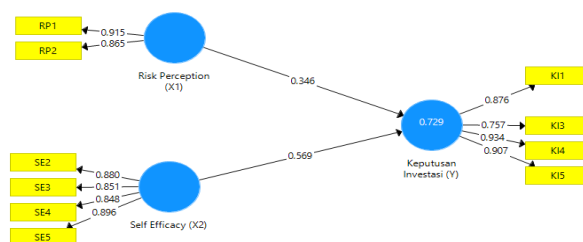
### OuterModel



**Figure 1. Original Outer Model**

Source: Primary data processed using Smart PLS 3.0.

Figure 1 shows that there are several indicators that have a value of <0.7, including SE1 and KI2, which means that these indicators are invalid, so they must be removed from the outer model and retested.



Source: Primary data processed using Smart PLS 3.0.

**Figure 2. Modified Outer Model**

Figure 2 above shows that after several invalid indicators have been modified, you can get a new outer model and the results of the modified outer model are also valid, the model is supported by the results of the test values as follows:

### Convergent Validity Test

**Table 3.** AVE value

Variable	Criteria	AVE
Risk Perception (X1)		0.792
Self Efficacy (X2)	>0.5	0.755
Investment Decision (Y)		0.759

Source: Primary data processed in 2022

Based on table 3, it shows that the AVE has met the criteria, namely the AVE value > 0.5, so that the convergent validity test is fulfilled and the next test can be carried out.

### Discriminant Validity Test

**Table 4.**Cross Loading Value

Indicator	Risk Perception	Self Efficacy	Investation decision
KI1	0.687	0.738	0.876
KI3	0.660	0.644	0.757
KI4	0.651	0.739	0.934
KI5	0.642	0.728	0.907
RP1	0.915	0.716	0.741
RP2	0.865	0.560	0.598
SE2	0.601	0.880	0.692
SE3	0.525	0.851	0.664
SE4	0.644	0.848	0.719
SE5	0.734	0.896	0.767

Source: Primary data processed in 2022

One of the criteria used in testing discriminant validity is the cross loading value of each indicator on the measured variable, this variable must be greater than the cross loading on other latent variables. Based on table 4.4. shows that the cross loading value on the indicators of this research model meets the criteria in the discriminant validity test and can be declared valid.

### Indicator Reliability Test

**Table 5.**Outer Loading Value

Variable	Indicator	Criteria	Outer Loading	Outer LoadingMod
risk Perception	RP1	>0.7	0.902	0.915
	RP2	>0.7	0.880	0.865
	SE1	>0.7	0.689	-
Self Efficacy	SE2	>0.7	0.877	0.880
	SE3	>0.7	0.815	0.851
	SE4	>0.7	0.862	0.848
	SE5	>0.7	0.882	0.896
Decision Investment	KI1	>0.7	0.863	0.876
	KI2	>0.7	0.681	-
	KI3	>0.7	0.782	0.757
	KI4	>0.7	0.900	0.934
	KI5	>0.7	0.878	0.907

Source: Primary data processed in 2022

Table 5 shows that there are several outer loading indicator values that are <0.7, namely the SE1 and KI2 indicators, so these indicators must be removed to be able to continue further testing in this study, because later these indicators will be considered invalid. After the indicators that do not meet these criteria have been removed, a modified outer loading value will be obtained in the modified outer loading column, all modified outer loading values have met the criteria in the indicator reliability test, namely > 0.7, so that all of these indicators can be declared reliable.

### Internal Consistency Reliability Test

The reliability consistency test is a test that uses the internal consistency reliability test, with the criteria that the Composite Reliability value must be > 0.60 so that it can be said to be reliable.

**Table 6.**Composite Reliability Value

Variable	Criteria	Composite Reliability
Risk Perception		0.884
Self Efficacy	>0.60	0.925
Investation decision		0.926

Source: Primary data processed in 2022

Table 6. shows that the composite reliability value of each variable in this study is > 0.60, so it is concluded that the criteria in the internal consistency reliability test have been fulfilled and can be declared reliable.

### InnerModel

#### Coefficient of Determination ( $R^2$ )

The coefficient of determination test is used to assess how much the exogenous construct can explain the endogenous construct with an expected value between 0 -1. The criteria used are 0.1-0.3 (weak model), 0.3-0.6 (moderate model) and greater than 0.6-1 (strong model).

Table 7. R-Square value

Variable	R-Square
Investation decision	0.729

Source: Primary data processed in 2022

Based on table 7, it shows that the investment decision variable has an R-Square value of 0.729, so this research model is declared strong, which means that the risk perception and self-efficacy variables are very capable of explaining the investment decision variable by 72.9%.

#### Path Coefficients

Path coefficients are also used to measure the significance between variables, but the criteria used in the Path Coefficients test range from -1 to +1, the closer to +1 the stronger the relationship between constructs.

Table 8. Value of Path Coefficients

Variable	Investation decision
Risk Perception	0.346
Self Efficacy	0.569
Investation decision	

Source: Primary data processed in 2022

Table 8 shows that several variables have moderate significance because the path coefficients of all variables are  $>0$  and are close to +1.

#### Fit models

Evaluation of model fit is used to measure model fit using the Normed Fit Index (NFI) value. In this study the results of the NFI value were 0.809, meaning that the fit of the model in this study reached 80.9%.

Table 9. The value of the T-Statistic direct effect

Direct Influence	T Statistics	P Values
Risk Perception $\rightarrow$ Investment Decision	3,039	0.002
Self Efficacy $\rightarrow$ Investment Decision	5,417	0.000

Source: Primary data processed in 2022

Table 9 above shows that the value of the direct effect of the risk perception variable on investment decisions is a value of  $3.039 > 1.672$  and  $0.002 < 0.05$ , this means that the risk perception variable has an influence on the investment decision variable, because the direct effect value ( $X1 \rightarrow Y$ ) is significant. while the value of the self-efficacy variable on the investment decision variable is  $5.417 > 1.672$  and  $0.000 < 0.05$ , this means that the self-efficacy variable has an influence on the investment decision variable, because the direct effect value ( $X2 \rightarrow Y$ ) is significant.  $T_{statistics} P_{values} T_{statistics} P_{values} T_{statistics}$

#### Discussion of Data Analysis

After analyzing the research data, the next researcher will arrange a discussion related to the results of the research which will be compared with the theory and previous research which has been used as a reference in preparing the background and determining the research hypothesis, so that it can be seen whether the research results will be in line or contrary to the theory and previous research that has been done by previous researchers.

#### Effect of Risk Perception (X1) on Investment Decisions (Y)

The effect of risk perception directly has a significant effect on investment decisions that will be made by investors in the capital market. Based on the value of the risk perception indicator item statement used in this study, it can be concluded that an investor will invest in the capital market if knowledge of risk perception and knowledge of investment risk is well mastered. Knowledge of investment risk or financial risk makes individuals wiser in making any financial decisions related to investment problems that must be faced.

This research is supported by the Behavioral Finance Theory which explains how to control financial knowledge from one of the financial aspects related to everyday life. Someone with good financial knowledge and self-efficacy will definitely have an impact on the formation of good financial behavior from that person which will later reflect excellent financial management and decision making.

which states that there is a positive but not significant effect of the risk perception variable on investment decisions. Therefore, the results of this study show that risk perception has a significant positive effect on investment decisions, this means that the level of one's investment decision making

is highly dependent on how knowledgeable an investor is in viewing risk before starting to invest in the capital market.

### **Effect of Self Efficacy (X2) on Investment Decisions (Y)**

The effect of self-efficacy directly has a significant effect on investment decisions that will be made by investors in the capital market. Based on the value of the self-efficacy indicator statement items used in this study, it can be concluded that an investor will invest in the capital market if he has good experience, social factors, and one's emotional physical condition in investing. Self-efficacy in investing also enables an individual to find solutions in making every financial decision when it comes to investing in the capital market.

The results of this study This research is supported by the Behavioral Finance Theory which states that a person's beliefs or beliefs about something are things that can influence intentions and behavior in determining attitudes (Ajzen et al, 2011). This study shows that self-efficacy is the ability of each person to achieve a specified performance target. The concept of financial efficacy is actually based on the concept of self-efficacy, it's just that it focuses on a person's belief to be successful in managing and managing his personal finances because a person's belief to succeed will affect his attitude.

The results of this study are the same as the results of previous research conducted by Arovia Devi Cahyanti, Arisyahidin, and Abu Talkah (2019), which states that self-efficacy has a significant effect on investment decisions. Research conducted by Gede Etyana Witakusuma, Putu Sukma Kurniawan, and Edy Sujana (2018) states that self-efficacy has a significant effect on investment decisions. And also the same as the results of research conducted by Wilantika Waskito Putri and Masyhuri Hamidi (2019), which stated that financial efficacy has a significant effect on investment decisions. The results are the same in this study, namely self-efficacy has a significant positive effect on investment decisions,

## **CONCLUSION**

Based on the results of the research that has been done, it can be concluded that risk perception has a significant effect on decisions in the capital market. Self efficacy has a significant effect on investment decisions in the capital market.

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