

The Factors Affecting Investment Intentions for Employees of PT Bank Central Asia, Tbk.Daniella Mayuni Semeru^{1✉}, Dimas Angga Negoro²¹Magister Management, Faculty of Economics and Business, Universitas Esa Unggul, Indonesia²Magister Management, Faculty of Economics and Business, Universitas Esa Unggul, Indonesia**Article Information***Article history:*

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Abstract

This research was conducted to analyze the effect of Personality Traits, Financial Literacy, and Risk Tolerance on Investment Intentions in environmentally friendly companies with Risk Tolerance as a moderating variable, providing input for environmentally friendly companies so they can be more attractive to investors, and contribute to the science of financial management by developing an understanding of the Investment Intentions variable in environmentally friendly companies. This research used quantitative method. The sample is 280 respondents with purposive sampling technique to the employees of PT Bank Central Asia, Tbk. Data was analyzed with Structural Equation Modelling-Partial Least Square (SEM-PLS). The results are personality traits, financial literacy, and risk tolerance had effect on investment intentions and risk tolerance had a moderating effect between financial literacy and investment intentions. With this research, it is hoped that environmentally friendly companies will manage their companies well and do environmentally friendly things included in its annual report so that potential investors are interested in investing in environmentally friendly companies. This research also expected to enrich the knowledge of financial management by providing an understanding of the Investment Intentions variable in environmentally friendly companies.

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INTRODUCTION

In this era, people have more attention to environmental safety. This is caused by the increasing destruction of the earth's ozone layer which causes global warming. Experts who are members of the Intergovernmental Panel on Climate Change (IPCC) said that most of the increase in global temperatures is likely caused by increasing concentrations of greenhouse gases (Harinowo & Khaidir, 2022). Greenhouse gases are produced from people's lifestyles that are not environmentally friendly, so that the earth is getting hotter and hotter. Examples of lifestyles that are not environmentally friendly include: throwing rubbish carelessly, using plastic waste that cannot decompose in a short time, using oil-fuelled vehicles, clearing land by burning forests, and so on.

Awareness of improving and better managing the environment has become a common awareness, including in the banking industry in Indonesia (Andarsari & Firdiansyah, 2020) including PT Bank Central Asia, Tbk. PT Bank Central Asia, Tbk. foster an environmentally friendly culture among employees by encouraging employees to use tumblers and glass cups, avoid using plastic bottled drinking water, turn off lights during lunch breaks, and various other things. Apart from being environmentally friendly, PT Bank Central Asia, Tbk. also foster a culture of investment in every employee. PT Bank Central Asia, Tbk. holding basic investment classes held every month for different participants. For employees who have taken basic investment classes, PT Bank Central Asia, Tbk. holding advanced investment classes held every month. PT Bank Central Asia, Tbk. also provides an annual bonus in the form of PT Bank Central Asia, Tbk shares. which must be held for three years to get employees used to having investments in the form of shares, as well as so that employees have a sense of belonging to PT Bank Central Asia, Tbk.

Investment is a practice that is commonly found in various classes of people, including employees in Indonesia (Widagdo & Roz, 2022). In general, investment is an activity carried out on several assets owned, usually over the long term, to gain profits (Hastings & Mitchell, 2020). One of the goals of investors in investing is to achieve long-term and short-term profits (Lathif, 2019). Investment itself has many types, such as: stock investment, money market investment, and others.

The desire to buy is a consumer behavior where consumers want to buy something based on their experience. In making investment decisions, supporting factors are needed. These factors consist of factors that originate from within a person and factors that originate from outside. Widagdo and Roz's (2022) research shows that Personality Traits have a significant positive influence on Financial Behavior. Similar research results also came from research by Mutlu and Ozer (2019). Likewise, research by Lai (2019) states that investment intentions are influenced by openness, while a pleasant personality influences subjective norms.

For external factors, a person's financial abilities play an important role in investment intentions. Healthy finances are a combination of the ability to meet needs, the existence of financial resources, and the knowledge to weigh when making financial decisions (Renanita & Hidayat, 2023). Someone can use the financial literacy they already have by managing their income and making financial plans. Aisa (2022) in his research said that financial literacy has a significant influence on investment intentions in the capital market. Research by Baihaqqy et al. (2020) also concluded that financial literacy has an influence on investment decisions.

Talking about investment, all investments have risks. Risk exists in all behavior which means that there is always an inevitable consequence in every behavior that can be something unpleasant. There is no investment without risk, whether low, medium, or high risk. Research by Samsuri et al. (2019) said that risk tolerance has an influence on investment intentions. Research said that risk tolerance strengthens the influence of financial literacy on investment performance (Kanagasabai & Aggarwal, 2020). Bapat's research (2020) stated that financial risk tolerance moderates the relationship between financial knowledge, financial attitude, and internal locus of control and financial management behavior. In their research, Ademola et al. (2019) said that risk perception moderates the relationship between financial literacy and financial knowledge and investment decisions.

Research on Personality Traits and Financial Literacy on Investment Intentions was conducted in Indonesia by Widagdo and Roz in 2022, entitled "The Role of Personality Traits, Financial Literacy, and Behavior on Investment Intentions and Family Support as a Moderating Variable". However, this research adds the Risk Tolerance variable as an

independent variable and narrows the research object to Investment Intentions in environmentally friendly companies. This research also uses Risk Tolerance as a moderating variable for Financial Literacy and Investment Intentions.

The Theory of Planned Behaviour is a theory which states that human behaviour is influenced by individual behavioural beliefs, normative beliefs, and control beliefs (Sulaeman et al., 2017). This belief perspective is implemented through a combination of certain characteristics, qualities and attributes that form a human action or behaviour (Seni & Ratnadi, 2017). This theory is a theory developed from the Theory of Reasoned Action (TRA). TRA says that behaviour is influenced by intentions, which can be interpreted as the benefits of behaviour in subjective norm behaviour (Sari, 2018). This intention can predict a person's behaviour well and can be said to be a cognitive representation of a person's behavioural readiness (Pajar, 2017). Intentions are determined by subjective norms, behavioural control, and behaviour (Sari, 2018). The Theory of Planned Behaviour explains that an action can be predicted through attitudes towards behaviour. However, a person's attitude in testing subjective norms and measuring perceived behavioural control must still be considered. A person's intention to carry out a behaviour will be higher if a person gets support from the surrounding environment and there are no obstacles.

A person's characteristics influence the way a person makes decisions, including investing in environmentally friendly companies. According to Widagdo & Roz (2022) conscientiousness and extraversion have been proven to have an influence on savings or loans, however, attention has been paid to broader financial issues. Widagdo & Roz's (2022) research shows that Personality Traits have a significant positive influence on Financial Behaviour. Similar research results also came from research by Mutlu & Ozer (2019). Likewise, research by Lai (2019) states that investment intentions are influenced by openness, while a pleasant personality influences subjective norms. Research (Fatoki, 2020) also concludes that Personality Traits has a significant positive relationship with Green Purchasing Behaviour.

H1: Personality traits impacts investment intentions.

With knowledge about finance, someone will know the advantages and disadvantages of investing in environmentally friendly companies. Therefore, a person's intention to invest in companies that produce environmentally friendly products is influenced by a person's knowledge of finance. In the research of Samsuri et al. (2019) concluded that financial literacy has an influence on investment intentions. Aisa (2022) in his research said that financial literacy has a significant influence on investment intentions in the capital market. Research by Baihaqqy et al. (2020) also concluded that financial literacy has an influence on investment decisions.

H2: Financial literacy impacts investment intentions.

Talking about investment, all investments have risks. Risk exists in all behaviour which means that there is always an inevitable consequence in every behaviour that can be something unpleasant. There is no investment without risk, whether low, medium, or high risk. Research by Samsuri et al. (2019) say that risk tolerance has an influence on investment intentions.

H3: Risk tolerance impacts investment intentions.

Research says that risk tolerance strengthens the influence of financial literacy on investment performance (Kanagasabai & Aggarwal, 2020). Bapat's research (2020) states that financial risk tolerance moderates the relationship between financial knowledge, financial attitude, and internal locus of control and financial management behaviour. In their research, Ademola et al. (2019) say that risk perception moderates the relationship between financial literacy and financial knowledge and investment decisions.

H4: Risk tolerance strengthens the relationship between financial literacy and investment intentions

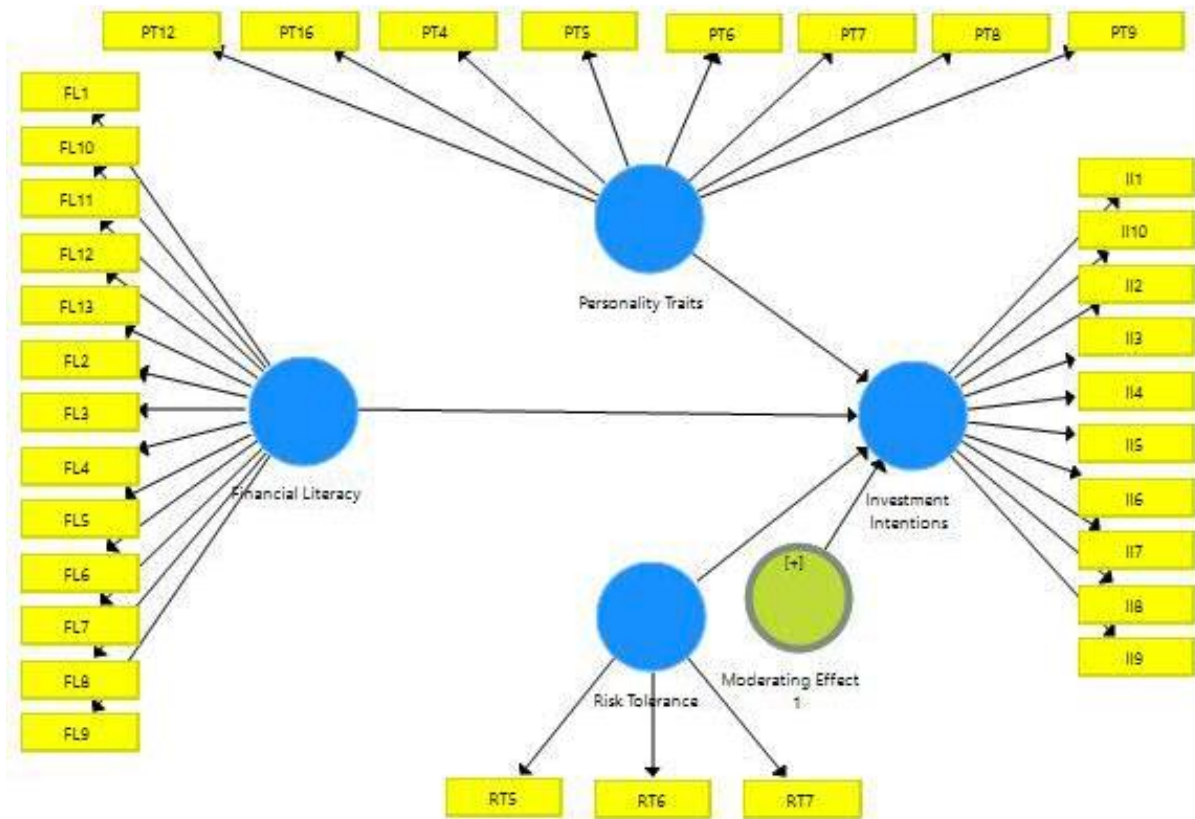


Figure 1. Conceptual Framework

METHOD

Author conducted validity and reliability testing using data processing applications. Validity testing was carried out using the Kaiser-Meyer-Olkin (KMO) measurement. In the validity test, KMO and MSA values above 0.5 indicate appropriate factors. Testing the reliability of the survey was carried out using Cronbach's Alpha measurements. A Cronbach's Alpha value above 0.5 indicates the reliability of the questionnaire questions and closer to 1 indicates better reliability. This research is quantitative research using the Structural Equation Model-Partial Least Square (SEM-PLS) method.

Data collection was carried out from February to May 2023. Data collection was carried out by distributing questionnaires using purposive sampling to employees of PT Bank Central Asia, Tbk. Respondents who were given the questionnaire were respondents who lived in Jakarta. Participants in this study consisted of 64.64% of respondents who were women and 35.36% of respondents who were men. Most respondents were employees aged between 18-25 years. Most respondents are employees who have worked for 0-5 years.

Table 1. Profile of Respondent

Aspect	Criteria	Respondent	Percentage
Gender	Perempuan	181	64,64%
	Laki-laki	99	35,36%
Age	18-25	134	47,86%
	26-30	49	17,50%
	31-35	26	9,29%
	36-40	19	6,79%

	41-45	17	6,07%
	46-50	22	7,86%
	51-55	13	4,64%
Length of Work	0-5	161	57,50%
	6-10	43	15,36%
	11-15	19	6,79%
	16-20	11	3,93%
	21-25	17	6,07%
	26-30	24	8,57%
	31-35	4	1,43%
	36-40	1	0,36%

Based on Table 1, information is obtained that of the 280 respondents, 64.64% of respondents were women and 35.36% of respondents were men. Most respondents were employees aged between 18-25 years. Most respondents are employees who have worked for 0-5 years.

Validity and reliability tests were carried out based on the recommendations stated by Jr. Hair et al. (2014). In the Personality Traits variable there are 8 indicators that are invalid so there are 8 remaining indicators that can be used in this research. In the Financial Literacy variable, all indicators are valid so there are 13 indicators that can be used in this research. In the Investment Intentions variable, all indicators are valid so there are 10 indicators that can be used in this research. In the Risk Tolerance variable there are 4 indicators that are invalid so there are 3 remaining indicators that can be used in this research. The indicators used in this research have passed the reliability test.

RESULT AND DISCUSSION

The results of the Composite Reliability (CR) and Average Variance Extracted (AVE) calculations in this study meet the overall requirements of the values set by Jr. Hair et al. (2014), namely $CR \geq 0.70$ and $AVE \geq 0.50$. The calculation results for Personality Traits are $CR = 0.891$ and $AVE = 0.510$, for Financial Literacy it is $CR = 0.959$ and $AVE = 0.646$, for Investment Intentions it is $CR = 0.939$ and $AVE = 0.605$, and Risk Tolerance is $CR = 0.894$ and $AVE = 0.737$.

Structural test analysis is carried out by looking at the R2 value in each equation as an indicator of how much the independent variable influences the dependent variable. Based on the results of SEM-PLS analysis, the results obtained are: (1) Investment Intentions are simultaneously influenced by Personality Traits and Risk Tolerance by 65.6%.

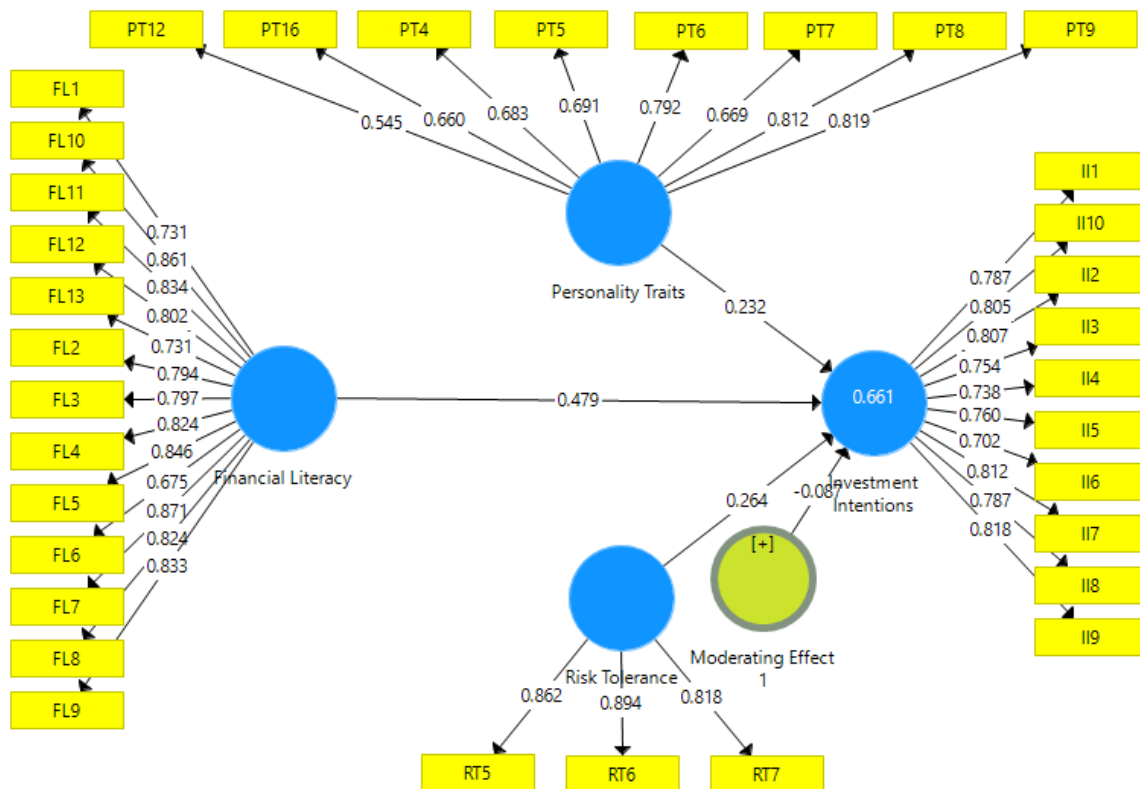


Figure 2. Path Diagram T-Value

Table 2. Results of Validity and Reliability Analysis

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Personality Traits	0.859	0.868	0.891	0.510
Financial Literacy	0.954	0.956	0.959	0.646
Risk Tolerance	0.821	0.827	0.894	0.737
Investment Intentions	0.927	0.928	0.939	0.605

Based on Table 2, the results of the Composite Reliability (CR) and Average Variance Extracted (AVE) calculations in this study meet the overall requirements of the values set by Jr. Hair et al. (2014), namely $CR \geq 0.70$ and $AVE \geq 0.50$. The calculation results for Personality Traits are $CR = 0.891$ and $AVE = 0.510$, for Financial Literacy it is $CR = 0.959$ and $AVE = 0.646$, for Risk Tolerance it is $CR = 0.894$ and $AVE = 0.737$, and for Investment Intentions it is $CR = 0.939$ and $AVE = 0.605$.

Table 3. R Square

	R Square	R Square Adjusted
Investment Intentions	0.661	0.656

Structural test analysis is carried out by looking at the R² value in each equation as an indicator of how much the independent variable influences the dependent variable. Based on the results of the SEM-PLS analysis contained in Table 3, the results obtained are: Investment Intentions are simultaneously influenced by Personality Traits, Financial Literacy, and Risk Tolerance by 65.6%.

Table 4. Hypothesis Testing

Hypothesis	Statement	T-Statistic	Decision
H ₁	Personality traits impacts investment intentions	3,811	support
H ₂	Financial literacy impacts investment intentions	7,945	support
H ₃	Risk tolerance impacts investment intentions	6,217	support
H ₄	Risk tolerance strengthens the relationship between financial literacy and investment intentions	2,473	support

Based on Table 4, Personality Traits has an influence on Investment Intentions with a value of $t = 3.811 (>1.96)$. Financial Literacy has an influence on Investment Intentions with a value of $t = 7,945 (> 1.96)$. Risk Tolerance has an influence on Investment Intentions with a value of $t = 6.217 (>1.96)$. Risk Tolerance moderates the relationship between Financial Literacy and Investment Intentions with a value of $t = 2.473 (>1.96)$. That means, all of the hypothesis are supported by the results.

In this research, it was found that in PT Bank Central Asia, Tbk., someone carries out an environmentally friendly lifestyle and continues to do it until it is perfect. In other words, someone carries out an environmentally friendly lifestyle continuously, like using their own tumbler rather than buying mineral water. Someone carries out an environmentally friendly lifestyle by following the plans that have been made. Because someone carries out an environmentally friendly lifestyle continuously, indirectly, someone is active in carrying out an environmentally friendly lifestyle. In this research, it was also found that someone intends to invest in various assets and at least half of their investment is placed in shares of environmentally friendly companies, like PT Bank Central Asia, Tbk. This investment is made every year with the aim of serving as a retirement fund. With an environmentally friendly lifestyle that is carried out continuously, this environmentally friendly lifestyle is also applied to investments and pension funds that come from investments from environmentally friendly companies. This supports the hypothesis which states that personality traits influence investment intentions.

This research found that in PT Bank Central Asia, Tbk., someone tracks their expenses in living an environmentally friendly lifestyle because it can best estimate cash inflows and outflows to environmentally friendly companies. One can estimate the cash inflow and outflow of environmentally friendly companies well because one consults experts to find out existing trends. In this research, it was also found that someone intends to invest in various assets and at least half of their investment is placed in shares of environmentally friendly companies. This investment is made every year with the aim of serving as a retirement fund. Because someone can properly estimate cash inflows and outflows in environmentally friendly companies using annual report that uploaded in the internet, someone can predict how much profit will be generated from these investments so that someone who invests as a provision for their retirement intends to invest in environmentally friendly companies. This supports the hypothesis which says that financial literacy influences investment intentions.

This research finds that PT Bank Central Asia, Tbk. is an opportunity worth considering. Someone has the desire to place their investments in a portfolio of profitable environmentally friendly companies. Since one wants to place one's investments in a profitable portfolio, one must look for environmentally friendly companies that are worth considering in terms of returns and risks. This supports the hypothesis which states that risk tolerance influences investment intentions.

This research finds that PT Bank Central Asia, Tbk. is an opportunity worth considering. With someone's knowledge to predict the inflow and outflow of environmentally friendly companies with decent opportunities, someone will increasingly intend to invest their money in environmentally friendly companies with the aim of serving as a retirement fund. This shows that risk tolerance strengthens/moderates the relationship between financial literacy and investment

intentions and supports the hypothesis which states that risk tolerance strengthens the relationship between financial literacy and investment intentions.

CONCLUSION AND RECOMMENDATION

In PT Bank Central Asia, Tbk., a person's nature and personality determine a person's intentions in choosing a lifestyle, including making investments. Basically, investments are made to gain profits. With adequate financial literacy, a person will be able to predict their own finances, including making investments, which is supported by a level of risk tolerance that considers the suitability of the company in which they will invest.

This research still has limitations that need to be corrected. First, this research was only conducted on employees of PT Bank Central Asia, Tbk. So, this research still cannot describe the condition of employees. Authors can then develop research respondents so they can describe broader conditions. Second, this research still uses respondents who invest in various types of shares, both environmentally friendly companies and not, so it does not focus on respondents who only invest their money in environmentally friendly companies. Authors could then use respondents who invest only in environmentally friendly companies. Third, this research includes the risk tolerance variable as a moderating variable only for the financial literacy variable. Authors can then include the risk tolerance variable as a moderating variable in each independent variable. Fourth, the investment intentions variable in this research can still be influenced by many other factors. Future authors can develop other variables that were not used in this research, such as: family background, financial condition, etc.

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