

Investment Decisions in the Capital Market: Perceptions of Christian Students



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ABSTRACT: Over time, the management of the capital market in Indonesia has undergone changes for the better. The growth in the number of investors in the secondary market is an indicator that the Indonesian capital market is increasingly in demand, especially by young people. The various conveniences in investing and the relatively small initial capital make it attractive for novice investors. This study aims to explore Christian students' perceptions of investment decisions in the capital market. The selection of Christian students as the research sample was based on the results of a pre-survey of one of the capital market investment galleries at state universities in Indonesia which involved the active involvement of Christian students as administrators. The results showed that the investment characteristics of Christian students were not entirely good in terms of self-confidence, knowledge, and self-control, but the psychological perspective of investing was good because they were confident and careful in making investment decisions.

KEYWORDS: investment decision, capital market, characteristics of investing, psychological perspective, Christian students

I. INTRODUCTION

The history of the capital market in Indonesia started from the Dutch colonial era in 1912 in Batavia which was established by the Dutch Government for the benefit of the Colonial Government. However, the security conditions due to the war and the unstable political situation put the capital market in Indonesia in a state of suspended animation. Along with the improving political climate, August 10, 1977, began a new chapter in the history of the Indonesian capital market, where the Stock Exchange was officially inaugurated by President Soeharto under the name Jakarta Stock Exchange (JSE).

Various conveniences and facilities are provided by the government to the people of Indonesia. It is hoped that easier access to capital market information and the lower costs incurred to start an investment will raise the interest of investors or potential investors to invest (Pradnyani & Pramitari, 2019).

The growth in the number of issuers in the capital market from time to time shows that business in Indonesia is experiencing growth. The latest data from the Indonesia Stock Exchange (IDX, 2023) as of May 22, 2023, there are 864 issuers on the Indonesian capital market. Data as of August 2022 shows that there are 9,540,027 investors in the Indonesian capital market. This figure is higher than the data for 2021 and 2020, indicating that the capital market in Indonesia is increasingly in demand by the public.

From a demographic standpoint, investors in the Indonesian capital market are in fact dominated by young people. Data from the Indonesian Central Securities Depository (KSEI, 2022) accessed on 17 September 2022 shows that the number of investors under the age of 30 is 59.2%. This data indicates that young people are more interested in investing in the capital market than older people.

The high interest of young people to invest in the capital market cannot be separated from the existence of capital market investment galleries spread across various universities in Indonesia. The capital market investment gallery does not only serve as a means of providing information about the capital market, but also serves the registration of potential investors, especially those from academic circles.

The results of a preliminary survey conducted in September 2022 at an investment gallery at a public university in Indonesia indicated that the high growth in the number of potential investors was not accompanied by the fact that they dared to invest. They are only registered and limited to having investor accounts but do not make transactions on the capital market. This finding

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is interesting to study because it could be that those who are registered and have investor accounts basically do not have the courage to face the risks that exist in the capital market.

Each product offered on the capital market has advantages and disadvantages. Therefore, consideration and caution are needed in making investment decisions. When making investment decisions, an investor will be influenced by psychological factors such as fear, hope, optimism, and pessimism (Kandpal & Mehrotra, 2018). The reason psychological factors play a role in making investment decisions is that behind every investment choice, there is always a risk that must be borne.

Atmaja (2019) explains that there are factors that must be considered when investing. These factors are abbreviated as **TITIS**, namely objectives (*tujuan*), instruments (*instrumen*), careful (*teliti*), investment (*investasi*), and distribution (*sebaran*). The purpose of investing must be clear, specific, and not just want to get rich quick. Instruments in investing must be considered with good risk profile. Thorough in calculating the funds to be used for investment. Investment involves mature analysis, both fundamental analysis and technical analysis. Portfolio distribution must be considered in order to minimize the risks that will have to be borne later.

Furthermore, Atmaja (2019) also revealed that there are three things that a person must have in order to become a successful investor. The first is self-confidence, then knowledge, and the last is self-control. Budiman (2022) revealed that based on an emotional and decision-making perspective, investor characteristics can be classified into four types. The first is a confident and cautious investor. Both investors are confident yet reactive. The three investors are anxious but cautious. Finally, the fourth is an anxious and reactive investor.

The factors that need to be considered in investing and the characteristics of investors from the perspective of psychology and decision-making are interesting to study. Research that explores the relationship between these two things is important because the resulting findings can later add insight into investor behavior in the capital market. The absence of similar research is the novelty of this research, specifically the involvement of academics in research makes this research more focused on examining the phenomenon of the growth in the number of young investors in the capital market.

II. METHODS

A qualitative approach was used to conduct this research. The data source used in this study is the primary source. Primary sources are data sources that directly provide data to data collectors (Sugiyono, 2018). The data used was collected through filling out questionnaires and then structured interviews were conducted so that researchers better understood the participants' answers.

Christian students at an Indonesian state university were involved as a research sample. The selection of the sample was determined based on the consideration that the management of the investment gallery at the university has a Christian background, so that access to obtain data is relatively easy because they come from the same fellowship community.

Exploration was conducted to determine the factors considered in investing and the characteristics of investors from a psychological perspective, as well as decision-making. The research instrument is in the form of factors that are considered in investing including **TITIS** referring to Atmaja (2019). While the characteristics of investors from a psychological perspective, as well as decision-making, refer to Budiman (2022).

III. RESULTS AND DISCUSSION

The results of the study succeeded in gathering 8 people who could be involved in the research. Table 1 provides information regarding the general description of the research participants. It can be seen that the participants were dominated by the male gender, namely 5 people (62.5%) while the female gender was only 3 people (37.5%). Based on investment status, there was 1 person (12.5%) who did not continue, while the other 7 people (87.5%) continued to invest. 6 participants (75.0%) experienced both profits and losses while investing, while there were 2 people (25.0%) who only experienced profits.

Table 1. Description of Research Participants

| Description | Total | Percentage |
|--------------------|-------|------------|
| Gender: | | |
| Male | 5 | 62.5 |
| Female | 3 | 37.5 |
| Investment status: | | |
| Continues | 7 | 87.5 |
| Stop | 1 | 12.5 |

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| | | |
|------------------------|---|------|
| Investment experience: | | |
| Gain | 2 | 25.0 |
| Gain and loss | 6 | 75.0 |

Table 2 provides information regarding the factors considered in investing. All participants stated that they had paid attention to the TITIS factor. Most of the participants, i.e. 5 people made investments for the pure purpose of investing, 1 person for the purpose of trading and investing, and 1 other person for the purpose of learning practicals.

Table 2. Identify Factors in Investment

| Participant | T ^{a)} | I ^{b)} | T | I ^{c)} | S |
|-------------|-----------------|-----------------|-----|-----------------|-----|
| 1 | 0,1 | S, M | Yes | T | Yes |
| 2 | 2 | M | Yes | F | Yes |
| 3 | 1 | S, M | Yes | F, T | Yes |
| 4 | 1 | S | Yes | T | Yes |
| 5 | 1 | S, M | Yes | T | Yes |
| 6 | 1 | S, M | Yes | F | Yes |
| 7 | 0 | S | Yes | T | Yes |
| 8 | 1 | S, M | Yes | F, T | Yes |

Notes:

a) The number 0 indicates investing for trading/business. The number 1 indicates investing purely invest. The number 2 indicates investing in practical learning.

b) The letter "S" stands for stock. The letter "M" stands for mutual funds.

c) The letter "F" indicates fundamental analysis. The letter "T" indicates technical analysis.

Table 2 also provides information regarding the instruments selected for investment. It can be seen that 5 people chose two types of investment instruments, namely stocks and mutual funds. There is 1 person who chooses stocks as an investment instrument, and 1 other person chooses mutual funds as an investment instrument. Careful factor, all participants stated that they had considered the funds to be used for investment. All participants stated that they had conducted an investment analysis before making a decision. 4 people did the technical analysis, 2 people did the fundamental analysis, and 2 other people did the technical and fundamental analysis. Furthermore, all participants are known to have distributed investment instrument portfolios.

Characteristics of investors from a psychological perspective and decision-making are shown in Table 3. It can be seen that only 1 participant dared to say that his investing character was all good, while 7 other people stated that their character varied between good and sufficient in self-confidence; good, sufficient, and lacking in knowledge; and kind, moderate, and lacking in self-control. Meanwhile, from a psychological perspective, all participants stated that they were emotionally confident and careful in making decisions.

Table 3. Characteristics in Investing and psychological perspectives

| Participant | Characteristics in investing | | | Psychological perspectives | |
|-------------|------------------------------|-----------|--------------|----------------------------|-----------------|
| | Confidence | Knowledge | Self-control | Emotion | Decision-making |
| 1 | Fair | Poor | Good | self-confident | Prudent |
| 2 | Good | Good | Poor | self-confident | Prudent |
| 3 | Good | Fair | Good | self-confident | Prudent |
| 4 | Good | Fair | Good | self-confident | Prudent |
| 5 | Good | Fair | Good | self-confident | Prudent |
| 6 | Good | Fair | Fair | self-confident | Prudent |
| 7 | Fair | Fair | Fair | self-confident | Prudent |
| 8 | Good | Good | Good | self-confident | Prudent |

Analysis of the data obtained gives an indication that investors from academic circles have actually made investments by considering TITIS factors as revealed by Atmaja (2019). Even though there are differences between one person and another in the purpose of investing, most people think that the purpose is purely to invest. The instruments chosen are mostly mixed, which shows that they are trying to share investment risks, in other words, having diversified investments does not put all eggs in the same basket (Hoolin, 2019; Lekovic, 2018).

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Furthermore, in using the funds to invest, it has also been thought of beforehand so that it is not wrong to divide the portion of the existing funds. Analysis has been carried out, and it seems that there is a tendency even though the purpose of investing is purely investing in fact most of them use technical analysis compared to fundamental analysis. This is in line with the research of Utami, Nugroho, and Farida (2017) who found that more investment decisions were made using technical analysis than fundamental analysis. This also indicates that young people actually have more of a tendency to be traders than pure investors.

Meanwhile, in terms of investment characteristics, it turns out that even though from a psychological perspective, they are emotionally confident and careful in making decisions, in fact they are not good enough in terms of their investment characteristics. These findings indicate that there is not always harmony between investment characteristics and a psychological perspective in investment decisions.

CONCLUSIONS

It was concluded that investors who came from Christian academics in making investment decisions had considered **TITIS** (tujuan, instrumen, teliti, investasi, sebaran) factors. Each academic has different investing characteristics, even though from a psychological perspective they are the same. This finding indicates that all Christian academics agree that investment decisions should not be made hesitantly and recklessly, even though they differ in their individual characteristics.

The research findings provide opportunities for future research on the topic of investment decisions. As researching perceptions is both interesting and challenging, future research could be conducted in different populations and environments. The limitations of researchers in finding participants who have the same long-standing investment experience can lead to bias in the answers, because it is possible that academics who have been investing longer have higher self-confidence than those who have only recently invested in the capital market.

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