



# Analysis of Z Generations Toward Stock Investment Intention: Testing the Theory of Planned Behavior

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**Abstract.** This study aims to determine the impact of Z Generations intention to invest in stocks, thereby determining the impact of subjective norms on Z Generations intention to invest in stocks and determine the impact of this study. The effect of perceived behavioral control on the intention to invest in stocks of Z Generations. stocks. This study uses a quantitative analysis method based on descriptive data, the data used in this study is primary data. The population of this study included Bosowa Polytechnic students classified as Z Generations, totaling 200. The results showed that controlling for attitude and perceived behavior had a significant effect on investment intention. Gen Z shares. The higher the Gen Z stock investment intention and the smaller or less perceived barriers to investment, the stronger the intention to invest in stocks. Meanwhile, the subjective norm has no significant impact on Gen Z's intention to invest in stocks. This is due to lack of normative beliefs and lack of motivation to follow people's opinions. another determines the subjective norm.

**Keywords:** Behavior · Stock · Investment · Generation Z

## 1 Introduction

Investing is a word that is always associated with preparing for a peaceful retirement. In the past, many people kept their money in savings accounts even though the interest rates were low and the risks were low. Indonesia's economic situation is experiencing inflation every year and people are choosing to enter the world of capital market investments that have promising future outcomes. Working in the investment arena of the capital markets is now less expensive and less stressful. One of the investment vehicles in the capital markets is equities. Investing in stocks is certainly promising, but carries a higher risk than investing in the form of deposits.

The ease of investing, especially capital market instruments in the form of shares, is quite a lot of attention for today's young generation. Based on a survey conducted by Thee Indonesia Capital Market Institute (TICMI) found that 61.76% of 168 millennial respondents have done financial management by investing [9]. Millennials' highest

investment choice is 54.41% in capital markets, with the remainder in banking products and real estate. Out of 54.41% of millennial investment product choices (80.88%) are stocks, followed by 16.18% mutual funds, 1.47% bonds and 1.47% The final % is an investment product. others (Capital Market Village Survey: Investing in stocks is the main choice of millennials - The Indonesia Capital Market Institute (TICMI), 2018) [9].

Based on the 2020 Census data released by the Central Statistics Office at the end of January 2021, it provides an overview of the demographics of Indonesia that have experienced many changes compared to the results. Results of the previous census in 2010. Interestingly, the 2020 census results show that you Indonesia's population composition is mainly Generation Z./Gen Z (27.94%), namely the generation born between 1997 and 2012 Millennials, who are expected to drive the movement of society today, are slightly lower than Gen Z, who make up 25.87% of the population. Indonesia's total population. This means that the existence of Generation Z plays an important role and influences the present and future development of Indonesia [7].

Planned Behavior Theory (TPB) shows that the primary factor influencing an individual's behavior is the individual's intentions for the action. Behavioral intentions are influenced by her three components: attitudes, subjective norms, and perceived behavioral control. This theory is based on the view of beliefs that can influence a person to perform certain actions. A trust perspective is achieved by incorporating various characteristics, qualities, and attributes of a given piece of information to shape the will to act (Uriana, 2010). TPB aims to explain the intended behavior by three factors: Personal evaluation of behavior (personal attitudes), perceived social pressure to (not) perform the behavior (social norms), and perceived ease or difficulty in performing the behavior. Behavior (perceived behavioral control). An intention is a decision, whether conscious or unconscious, to act in a desired way or an incentive to perform an action (Raymond J, 2002). This intention is the beginning of human behavior formation. The theory of planned behavior is well suited to explain all behaviors that require planning [1].

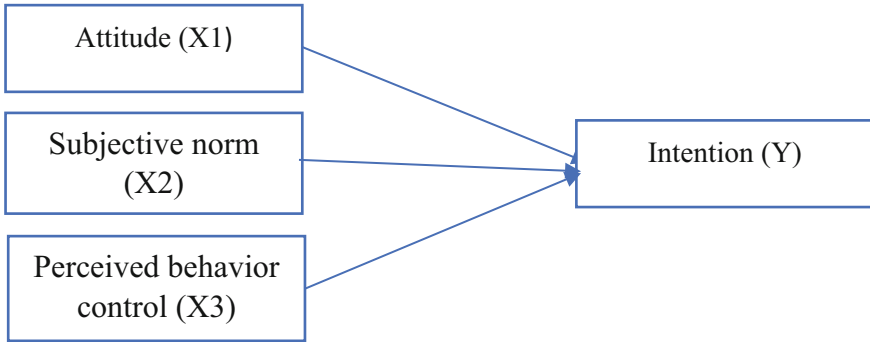
Attitude is defined as the degree of affection a person feels when accepting or rejecting an object or action, as measured by the process of rating people on a two-point scale, such as good/bad and agree/disagree. Attitudes towards behavior are determined by beliefs and the consequences of the behavior. The combination of behavioral beliefs and outcome evaluation helps to link actions with outcomes [1].

Previous research has shown that attitudes have a significant impact on stock investment intentions. This means that attitudes influence an individual's stock investment decision making. Although the intention to invest in stocks is not immediately apparent to individuals, individuals are actually interested in the opportunity to invest in stocks and like the risks and challenges [2].

## 1.1 Hypothesis

- H1 = Attitude affects Generation Z's intention to invest in stocks

Subjective norm (Subjective Norm) Is a social pressure that affects a person in doing the behavior or not doing the behavior. Subjective norm is determined by normative belief and motivation to comply. Usually the desire of the individual to perform the



**Fig. 1.** Research Model

behavior will quickly grow if the individual gets encouragement from the people around him. Likewise, if the individual does not get encouragement from the people around him, then the individual tends not to carry out the behavior that is carried out [1]. In previous research, it was revealed that subjective norms affect the intention to invest in Islamic stocks [6].

- H2 = Subjective norm affects Generation Z's intention to invest in stocks

Perceived behavior control refers to the ease with which a person feels in carrying out the behavior. Perceived behavior control is determined by control beliefs, namely individual control over the presence or absence of factors that support and prevent individuals from performing a behavior. This belief arises based on the individual's experience of a behavior, the information that the individual has about a behavior that is obtained by observing the knowledge obtained by the individual. Owned by themselves and others known to the individual, and also by various other factors that can increase or decrease the individual's feelings about the level of difficulty in carrying out a behavior [1].

- H3 = Perceived behavior control affects Generation Z's intention to invest in stocks

Intention refers to a person's decision to do or not to do something. Behavioral intent indicates how much effort was expended to engage in that behavior. It can be concluded that the more beneficial attitudes, subjective norms, and perceived behavioral control are, the greater the recommended behavioral control and the stronger the individual's intention to carry out the behavior [1].

## 1.2 Research Model

See Fig. 1.

## 2 Methodology

This study used quantitative analysis of descriptive data. The data used in this study are primary data. The research data source was taken directly from the original source in the

form of a questionnaire/questionnaire. This study was carried out from October 2021 to November 2021. The study site was chosen as Bosowa Polytechnic. The research was done at the university because the vehicle for investing in stocks is quite complete. When having a business relationship with one of Bosowa's business entities, namely Bosowa Sekuritas. The population for this study was 200 Bosowa Polytechnic students classified as Generation Z.

The sampling method used in this study is non-probability sampling with purposeful sampling technique. The data analysis in this study consisted of several basic steps such as the editing process, the coding process, the scoring process, and the tabulation. Second, for the research results to be objective and there is no doubt about the authenticity, the research measurement instrument must be valid and reliable. This study also conducts a number of tests before testing the hypothesis, including normality test, multicollinearity test, variable variance test. The data analysis technique used in this study is multiple linear regression analysis used to determine the influence of investment attitude on investment intention. The hypothesis test used in this study is the T test. The T test is used to test the impact of the independent variable on the partially dependent variable by comparing the table and the arithmetic level.

### 3 Results and Discussion

Respondents in this study were Generation Z, represented by Bosowa Polytechnic students who were included in the Generation Z category, namely those born between 1997 and 2012. So the number of selected samples that met the requirements were 60 respondents.

#### 3.1 Validity and Reliability Test

Validity test conducted to check whether the content of the research tool, the research tool used is suitable or not [8], the validity test results show that all the sentences in the questionnaires were published as valid.

While reliability testing is performed to check the consistency of the measuring instrument when the same person uses the measuring instrument at different times or different people simultaneously [8]. Reliability test results show that all questions in the questionnaires are reliable.

#### 3.2 Classic Assumption Test

**Normality test.** Normality tests look at the results of statistical tests to see if the noise or residual variables are normally distributed in a regression model [3].

Figure 2 the results of the pp-plot test, which can be seen in Figure 2, showing that the data fulfills the assumption of normality, as the data propagates around the diagonal and in the direction of the diagonal line.

**Multicollinearity test.** Multicollinearity test is used to determine if there is a correlation between the independent variables. Good data is data that has no correlation between the

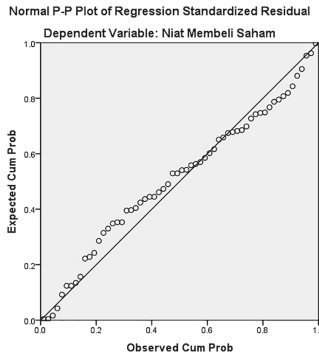


Fig. 2. Normality Test

Table 1. Multicollinearity Test Results

Variable	Tolerance	VIF	Description
Attitude	0.475	2.106	There is no Multicollinearity
Subjective norm	0.331	3.023	There is no Multicollinearity
Perceived behavior control	0.306	3.263	There is no Multicollinearity

Source: Primary Data processed, 2021

independent variables but only the correlation with the dependent variable. To detect the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance value and the variance inflation factor (VIF). The threshold value commonly used to indicate the presence of multicollinearity is the tolerance value  $< 0 > 10$ .

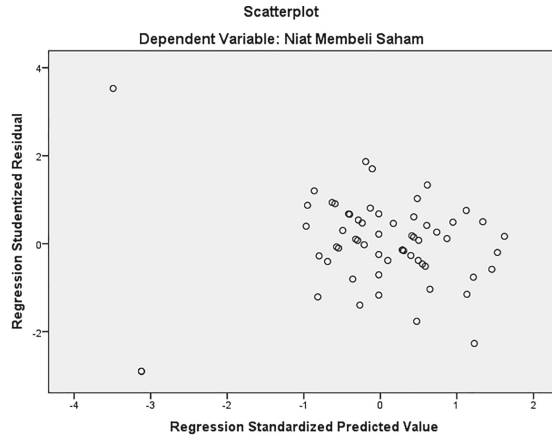
Based on Table 1, each variable has a VIF values less than 10 and a tolerance greater than 0.10. This means that the regression model does not have multicollinearity problems, so it meets the requirements of regression analysis.

**Heteroscedasticity Test.** The test of variance is aimed at testing whether in a regression model there is an equality in the variance of the residuals from 1 observation to another [3]. The dots on the Fig. 3 spread out random, don't form a certain pattern (wavy, expand then shrink) and have no obvious pattern and the dots spread above and below zero (0) on the Y-Axis Data, so it is recommended to use it to test hypotheses.

### 3.3 Hypothesis Test Results

**Multiple Linear Regression Analysis.** After all the variables have gone through the classical assumption test, the next analysis is carried out Multiple Linear Regression with the aim of ensuring that each variable has an effect on investment intentions (Table 2).

*Attitude affects Generation Z's intention to invest in stocks.* Attitude variable has a significant value of  $00.026 < 0.050$  This shows that the Attitude variable contributes to



**Fig. 3.** Multicollinearity Test

**Table 2.** Multiple Linear Regression Analysis

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B Std. Error	Beta		
1(Constant)	3.024 1.319		2.293	.026
Attitude	.609 .132	.587	4.618	.000
Subjective norm	-.137 .121	-.171	-1.134	.262
Perceived behavior control	.440 .202	.343	2.179	.034

a Dependent Variable: Y

the intention to invest in securities. Therefore, the first hypothesis (H1) is accepted and we can conclude that the Attitude variable has a significant influence on the intention to invest in stocks.

*Subjective norm has an influence on Gen Z's intention to invest in stocks.* Subjective standard variable has a significant value of  $0.262 > 0.05$ . This shows that the subjective standard variable has no contribution to thee intention to invest in stocks. Therefore, the second hypothesis (H2) is rejected and we can conclude that the subjective standard variable has no significant iimpact on the intention to invest in stocks. Compared with Cognitive Behavioral Control on Gen Z's stock investment intention.

*Variable that controls cognitive behavior has a significant value of  $0.036 < 0.05$ .* This shows that the behavioral control variable contributes to the intention to invest in securities. While the third hypothesis (H3) is accepted and it can be concluded that the perceived behavioral control variable has a significant influence on the intention to invest in securities.

**Table 3.** F test results

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	484.748	3	161.583	22.194	.000 <sup>b</sup>
	Residual	407.713	56	7.281		
	Total	892.462	59			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X1, X2

**Table 4.** The coefficient of determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 <sup>a</sup>	.543	.519	2.69826

**Simultaneous Significance Test (F test).** The F-statistical test basically shows whether all the independent or independent variables included in the model have a common effect on the dependent or dependent variable [3]. The results of the simultaneous significance test of the individual parameters are presented in Table 3.

Based on the F test results in Table 3, a significance value of 0.000 was obtained, which is less than 0.05. This shows that the variables Attitude, subjective norm and behavioral control have a simultaneous influence on the intention to invest in securities.

**Check coefficient of determination (R2).** The coefficient of determination test is used to decide the concurrent contribution of every variable to the based variable. The higher the value of R2, the better the ability of the independent variable to explain the dependent variable.

Based on the test results in Table 4, the value of the coefficient of determination is 0.519. The value 0.519 explains that attitude, subjective norms and perceived behavioral control affect the intention to invest in stocks of 51.9%, while 48.1% are affected by other variables that do not in this study.

## 4 Discussion

Using the model The TPB refers to research done by [1]. This study aims to determine the influence of each component of the theory of planned behavior, namely attitude, subjective norm and perceived behavioral control, on the intention to invest in action of generation z., in this case a student at the City Polytechnic School. Bosowa.

The effect of attitude on the intention to invest in securities.

Attitude can be understood as something positive or negative regarding a particular object. Attitude is also an emotional response that favors or rejects an object it faces

(investment). Based on the results of the t-test, it is concluded that attitude has a significant influence on the intention to invest in stocks. This means that attitudes affect how the intention to invest in stocks manifests itself in individuals. The intention to invest in stocks does not appear immediately in the individual, but the individual is genuinely interested in the opportunity to invest in stocks and enjoys the risk and challenge.

The results of this study are consistent with the research of Art and Ratnadi (2017), Mahardika and Zakiyah (2020) [4], and Ekowati and Suwandi (2021) [2] that attitude has a significant influence on the intention to invest in stocks. So, a person is positive or considered good to invest in stocks and how investors or potential investors will influence the individual's intentions to behave next. Indeed, individuals who have a positive view of stock investing will increase their intention to invest in stocks. Conversely, if an investor or potential investor has a negative attitude towards investing in stocks, it is not that his intention to invest in stocks is low.

**Effect of Subjective Norm on Intention to Invest in Stocks.** Based on the results of the t-test, it is concluded that the subjective norm has no significant effect on the intention to invest in stocks. According to research by Ekowati and Suwandi (2021) [2], this is due to lack of normative beliefs and lack of motivation to follow the opinions of others which determine subjective norms.

This result is not in line with research conducted by Seni and Ratnadi (2017) [5], and Mahardika and Zakiyah (2020) [4] which state that subjectively partial norms have a significant effect on stock investment intentions. So someone who is positive or thinks well of other people's beliefs in investing in stocks will affect how the individual's intention to behave in the future. Subjective norm is a perception or view of the beliefs of others, and that view influences us to do something (behavior). Subjective norm in the individuals studied did not significantly affect the intention to invest in stocks, this is because individuals do not attach importance to the views of other people's beliefs.

If an investor or potential investor has negative thoughts about other people's views on stock investment, it is not impossible that his actions in investing in stocks will experience many stumbling blocks. Other people's opinions are needed to see opportunities and reduce the risk of mistakes that have been experienced by other people which we will apply when we enter the world of stock investment.

**Perceived behavior control on stock investment intentions.** Based on the results of the t test, it is concluded that Perceived behavior control has a significant effect on stock investment intentions. Perceived behavior control is the control that is felt in an individual to feel whether he is able or not to do it.

the action he is taking. This shows that the individual feels that he has the ability to invest in stocks, there are no problems that are too complicated that the individual feels in carrying out these intentions.

The results of this study are in line with the research of Art & Ratnadi, (2017), Mahardhika & Zakiyah, (2020) and Ekowati and Suwandi (2021) [2] which state that the perception of Perceived behavior control has a significant impact on the desire to invest. This condition explains that the smaller or thee least perceived barriers to investing, the stronger a person's intention to invest.

Even though there are obstacles in investing, an individual will continue to invest because he feels capable. This happens because the perception of behavioral control



in this study is an internal factor that is the trigger for investing in stocks, namely the belief that he is very well behaved. In addition to internal factors, external factors also trigger individuals to invest in stocks, one of which is economic factors, good economic conditions will encourage individuals to enter the world of stock investment. So it can be concluded that student trust and economic support from students studied in this study synergize well so that the Perceived behavior control variable has a significant effect.

## 5 Conclusion

The purpose of this study is to analyze the effects of attitudes, subjective norms, and perceived behavioral control on stock investment intentions. Based on the results of the analysis and discussion performed, the following conclusions are drawn. The results show that attitudes have a significant impact on Gen Z's stock investment intentions. This means that the more positive attitudes toward stock investment, the higher Gen Z's willingness to invest in stocks.

The results show that subjective norms do not significantly influence Gen Z's stock investment intentions. This is due to the lack of normative beliefs and the lack of motivation to pursue the opinions of others that determine subjective norms.

The results showed that perceived behavioral control had a significant impact on Gen Z's stock investment intentions. This explains why individuals are more willing to invest in stocks when barriers to investment are smaller or less recognized.

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