

Generation Z's Interest in Investing in The Islamic Capital Market (Study Case: Generation Z in South Sulawesi, Indonesia)

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Abstract

Background: Indonesia is one of the countries with a majority Muslim population. However, based on the Sharia Capital Market Update for the June 2022 period, the number of SID recorded was only 2,455,239 SID. This number is relatively small when compared to the total number of SIDs in the capital market.

Objectives: This research will focus on the generation Z which currently domiciled in South Sulawesi Province as a province with the largest number of SIDs in Eastern Indonesia.

Novelty: Researchers conduct research related to investment interest as an endogenous variable and use investment knowledge, Sharia financial literacy, and investment motivation as exogenous variables. In addition, researchers use financial self-efficacy as a moderating variable to see its effect on the relationship between exogenous and endogenous variables.

Research Methodology: This research is a type of quantitative research, using a survey method and will use PLS-SEM.

Findings: Sharia financial literacy and investment motivation partially affect investment interest. However, investment knowledge was found to have no effect on investment interest. Meanwhile, financial self-efficacy moderates the relationship between investment knowledge and Islamic financial literacy on investment interest, but financial self-efficacy does not moderate the relationship between investment motivation and investment interest.

Implication: For future researchers expected to use a larger number of samples to represent the entire population and look for other more specific variables.

Keywords:

Investment, Investment Interest, Islamic Capital Market, Investment Knowledge, Generation Z

JEL Classifications:

E22, G11, G41

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A. Introduction

According to Hartono (2017), investment is an activity of postponing current consumption with the aim of including this consumption in productive assets within a certain period of time (Hartono, 2017). Investment can also be interpreted as an activity of saving wealth to get interest or profit (Kusnindar et al., 2022). From an Islamic perspective, investment is also considered something important and recommended. Allah SWT in QS. Yusuf (12) verses 47-49 says the following:

قَالَ تَزْرَعُونَ سَبْعَ سِنِينَ دَابًّا فَمَا حَصَدْتُمْ فَذَرُوهُ فِي سُنْبُلِهِ إِلَّا قَلِيلًا مِمَّا تَأْكُلُونَ ﴿٤٧﴾
 ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ سَبْعٌ شِدَادٌ يَأْكُلْنَ مَا قَدَّمْتُمْ لَهُنَّ إِلَّا قَلِيلًا مِمَّا تَحْصِنُونَ ﴿٤٨﴾
 ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ عَامٌ فِيهِ يُعَاثُ النَّاسُ وَفِيهِ يَعْرِضُونَ ﴿٤٩﴾

It means:

“Yusuf (Joseph) said, “Cultivate seven years in succession. Then whatever you reap, leave it on its stalks, except a little which you may eat. Then, after that will come seven (years) of great hardship (famine) which will consume what you have stored for them, except a little of what you have stored. After that will come years when people will be given rain (in abundance) and in them they will press (grapes).”

From this verse, we can learn that there is a possibility of an unexpected event that is not within our control. Therefore, every individual must prepare and set aside some of their assets for such unexpected events (Pardiansyah, 2017). Investments made by a Muslim are expected to be a form of effort in seeking Allah's pleasure and fulfilling their needs as social beings on this earth. Investment in this case is certainly an investment activity that does not conflict with Islamic law. However, based on the Sharia Capital Market Update for the June 2022 period, the number of Single Investor Identification (SID) recorded for ownership of sharia mutual funds, corporate sukuk and sharia shares was only 2,455,239 SID (ojk.go.id). This number is relatively small when compared to the total number of SIDs in the capital market which reached 10,000,628 in the November 2022 period (ksei.co.id). In fact, Indonesia is one of the countries with a majority Muslim population. Based on data from the Directorate General of Population and Civil Registration of the Ministry of Home Affairs, it states that 86.88% are Muslim.

Meanwhile, there are factors that influence individuals before finally deciding to invest. Darmawan et al., (2019), one of their findings stated that financial literacy and investment motivation have an effect on investment interest, however, the study also found that investment knowledge partially did not affect the investment interest of students in the Management Study Program, Faculty of Economics and Business, Muhammadiyah University of Purwokerto, Class of 2016 and 2017 (Darmawan et al., 2019). This finding is not in line with the research conducted by Marlin (2020), which found that partially investment knowledge and investment motivation had a significant effect on students' investment interest in the BEI IAIN Batusangkar Sharia Investment Gallery (Marlin, 2020). Kelly & Pamungkas (2022), had findings stating that financial literacy and financial efficacy had a positive effect on stock investment interest (Kelly & Pamungkas, 2022). These findings are not in line with the research results of Muttaqin &

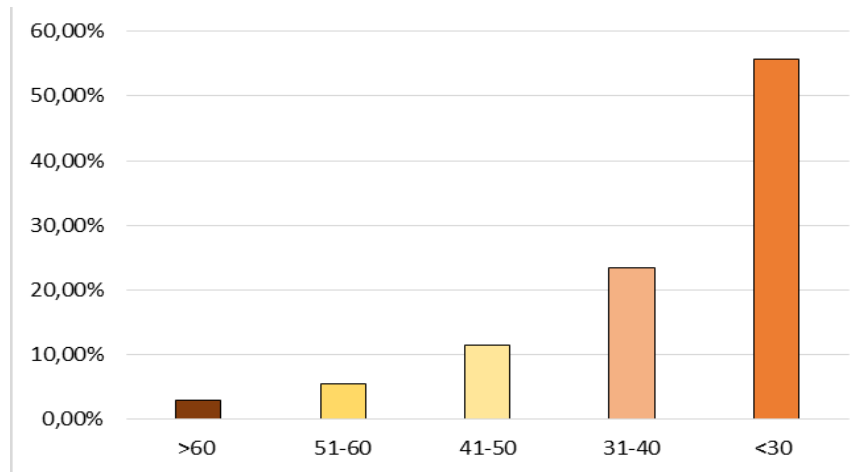
Ayuningtyas (2022), which stated that financial literacy does not have a significant positive effect on investment interest in the Sharia Capital Market (Muttaqin & Ayuningtyas, 2022). In contrast to Hasanah et al., (2022) who found that investment motivation and financial literacy have a positive impact on investment interest (Hasanah et al., 2022). However, in this study, financial efficacy was found to have no effect on investment interest. Meanwhile, research conducted by Ayu Fitria Apriliani & Muratanto (2023) found that financial efficacy was significant and had a positive effect on investment interest (Apriliani & Murtanto, 2023).

Based on several previous studies above, it can be seen that there will be inconsistent findings. Therefore, researchers want to conduct research related to investment interest as an endogenous variable and use investment knowledge, Sharia financial literacy, and investment motivation as exogenous variables. In addition, researchers use financial self-efficacy as a moderating variable to see its effect on the relationship between exogenous and endogenous variables.

This research will focus on the next generation Z which currently dominates the community as a research object, especially those domiciled in South Sulawesi Province. South Sulawesi Province is in eighth position as the province with the largest number of SIDs in the July 2023 period in Indonesia and is the province with the largest number of SIDs in Eastern Indonesia. Where eastern Indonesia includes the islands of Sulawesi, the Maluku Islands, the Nusa Tenggara Islands, Bali and Papua. However, the number of SIDs in South Sulawesi only reached 3% of the total population in South Sulawesi in June 2023 which was 9,312,019. With a population reaching nine million, the number of investors in South Sulawesi province has the opportunity to continue to grow and increase.

Based on data from the Central Statistics Agency of South Sulawesi, the largest population based on age group is aged 15 to 24 years, which is 1,624,184 million people. Meanwhile, the age group of 25 to 29 years also reached 773,892 people. The two age groups are included in generation Z which will be the object of research. The generation born in 1995 to 2010 is called generation Z (Zemkee et al., 2000). This generation is known as the first global generation in the advancement of the internet and technology, so they have the same trends as the same generation throughout the world because of the internet that connects them (Dwidienawati et al., 2023).

According to KSEI publication data for the November 2023 period, the classification of individual investors based on age is dominated by investors under 30 years of age, which is 55.65%.



Source: KSEI monthly statistical report for the period November 2023, data processed

Figure 1. Demographic of Individual Investors by Age

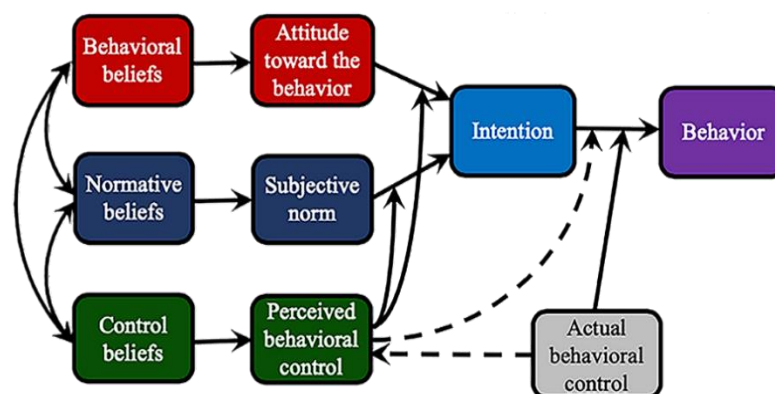
Based on the description above, the researcher feels the need to conduct a study entitled “GENERATION Z'S INTEREST IN INVESTING IN THE ISLAMIC CAPITAL MARKET (Study Case: Generation Z in South Sulawesi, Indonesia)”. The researcher wants to know whether investment knowledge, sharia financial literacy and motivation influence the interest of generation z in investing in the sharia capital market. In addition, the researcher also wants to know whether financial self-efficacy moderates the influence of investment knowledge, sharia financial literacy and investment motivation on the investment interest of generation Z of South Sulawesi in the sharia capital market, especially in the South Sulawesi area which is the province with the largest number of SIDs in eastern Indonesia.

B. Literature Review

B.1. Theoretical Framework

Theory of Planned Behavior (TPB)

TPB is an extension of the theory of reasoned action or theory of reasoned action proposed by Ajzen & Fishbein in 1975 and 1980. This TPB is a theory that explains the conceptual framework related to human social behavior. In this theory, several images or perceptions in social and behavioral sciences are combined, and explain the concept in a way that allows prediction and understanding of certain behaviors in certain contexts (Ajzen, 1991). TPB proposed by Ajzen (1991), says that individual behavior is most accurately predicted from a person's intentions. These intentions can be predicted through behavioral attitudes, subjective norms or a person's perception of other people's beliefs that he or she should or should not perform behavior related to the implementation of behavior, and the individual's perception of their control over the behavior (Cameron et al., 2012).



Source: *The Theory of Planned Behavior: Selected Recent Advances and Applications* (Bosnjak et al., 2020)

Figure 2. The Theory of Planned Behavior

First, Attitude toward the behavior can be interpreted as the role of beliefs or expectations regarding the possibility of behavior and possible consequences or called behavioral beliefs or behavioral beliefs (Ajzen & Kruglanski, 2019) Second, Subjective norm is a belief that refers to the question of whether significant others themselves perform the behavior (Ajzen & Kruglanski, 2019). Subjective norm or normative beliefs that are punitive can be interpreted as the subjective possibility of individuals or groups that are personally or collectively significant such as colleagues/relatives, family, partners and others, justify or disapprove of carrying out the behavior being investigated. Third, perceived behavioral control or perceived behavioral control, is assumed to moderate the influence of attitudes and subjective norms on intentions, while actual behavioral control is assumed to moderate the influence of intentions on behavior (Ajzen & Kruglanski, 2019).

Self-Determination Theory (SDT)

SDT is an approach to human motivation and personality that uses traditional empirical methods and uses an organism metatheory that highlights the importance of human inner resources that evolved for personality development and behavioral self-regulation (Ryan et al., 1997). Simply put, SDT can be interpreted as an individual's ability to choose and have several options to decide on an action or individual determination towards a goal that he wants to achieve (Deci & Ryan, 2014). SDT consists of three important components which are basic human psychological needs, namely autonomy, competence, and relatedness which underlie development, integrity and sustainable health or well-being (Ryan & Deci, 2022). These three needs in their fulfillment will be influenced by the social environment which will trigger the individual's ability to regulate themselves, social relationships and individual well-being.

Self Efficacy (SE)

SE is a concept originally proposed by Bandura (1977) and this theory refers to an individual's belief in their own capacity to successfully complete a task or achieve a goal (Dare et al., 2022). Meanwhile, Bandura (1999) defines financial self-efficacy (FSE) as an individual's ability to make good financial decisions in various aspects of their lives (Riaz et al., 2022). Based on the theory of self-efficacy proposed by Bandura (1994), the most important factor that builds a person's financial self-efficacy is permanent experience. This permanent experience is a past event of success and/or failure experienced by a person, and with the experience of success will increase a person's financial self-efficacy (Herawati et al., 2020).

Knowledge

In the American Psychological Association (APA) Dictionary of Psychology, knowledge is defined as the state of being familiar with something or being aware of its existence, usually resulting from experience or study (*dictionary.apa.org*). According to Plato (born around 427 BC - died around 347 BC) who was an ancient Greek philosopher, knowledge is something that we believe to be true and we have justification (Alchin & Henly, 2014). Meanwhile, according to Cornforth (1955) knowledge is basically a social product, rooted in social practices that are tested and corrected by the fulfillment of expectations in practice (Cornforth, 1955). Cornforth also said that knowledge consists of a number of conceptions, views and propositions (Cornforth, 1955).

Sharia financial literacy

Financial literacy can generally be defined as the ability to evaluate one's own money efficiently, the ability to master basic finance such as interest, savings, inflation, and loans, and make mathematical calculations (Pala et al., 2023). Meanwhile, according to Haidir (2019), Sharia financial literacy means the ability to understand the basics of Islamic finance and types of Islamic investment, as well as knowing the benefits obtained when investing in the Islamic capital market (Haidir, 2019).

Motivation

In the American Psychological Association (APA) Dictionary of Psychology, motivation is a drive that provides a purpose or direction for behavior and work within a person at a conscious or unconscious level (*dictionary.apa.org*). Maslow (1943) put forward a theory of the hierarchy of needs that is the basis for encouraging or motivating someone to do something. Abraham H. Maslow said that humans basically have five hierarchies of needs, namely physiological needs, safety needs, social needs, appreciation needs, and actualization needs (Maslow, 2000).

Investment and Islamic Capital Market

According to Hartono (2017), investment is an activity of postponing current consumption with the aim of including that consumption in productive assets within a certain period of time (Hartono, 2017). Meanwhile, on the official website of the Financial Services Authority (Otoritas Jasa Keuangan), investment is defined as an activity of capital participation, in the long term with the intention of obtaining complete assets which then generate profits (*ojk.go.id*).

Then, Islamic capital market can be defined as the capital market in general which is regulated in the Capital Market Law (Undang-Undang Pasar Modal), but the activities and products of the Islamic capital market have their own provisions that do not violate sharia principles (*ojk.go.id*). In addition, activities in the Islamic capital market refer to Law Number 8 of 1995 concerning Capital Markets, Government Regulations, Exchange Regulations and other regulations.

B.2. Hypothesis Development

The influence of investment knowledge on the investment interest of generation Z of South Sulawesi in the sharia capital market

The emergence of interest in taking action such as investing in the sharia capital market cannot be separated from the basic knowledge or information that a person has so that they are moved to do so. (Marlin, 2020) in his research and obtained findings stating that partially knowledge related to investment and investment motivation have a significant effect on students' investment interest. The study also found that students' investment knowledge is supported by the existence of financial education and literacy activities carried out by the BEI IAIN Batusangkar Sharia Investment Gallery. The results of this study are in line with research conducted by (Amhalmad & Irianto, 2019), where the results of the study stated that the higher the investment knowledge, the higher the motivation to invest. The study also concluded that investment knowledge has a direct and indirect influence on the interest of UNP Economic Education students to invest

In line with SDT, knowledge will have an impact and cause changes in the determination of individual actions. Investment knowledge can be obtained from various sources, one of which is from formal educational institutions such as schools or universities. However, in this increasingly modern era, information related to investment knowledge can be found anywhere, for example, it can be learned autodidactically on the internet by reading or watching learning videos, or studying it directly using economics and business books, or especially investment books.

Having investment knowledge will encourage someone to do something related to that investment knowledge, which can indirectly be interpreted as investment interest. This study will test and provide conclusions regarding the influence of investment knowledge on the investment interest of Gen Z in South Sulawesi based on data obtained from respondents. Therefore, the following hypothesis is obtained:

H1: Investment knowledge has a positive effect on the investment interest of Generation Z in the Islamic capital market.

The influence of Sharia financial literacy on the investment interest of South Sulawesi's Generation Z in the Islamic capital market

Anfas et al. (2022) in their research stated that financial literacy influences millennials' motivation to invest in stocks on the Indonesia Stock Exchange (Anfas et al., 2022). In addition, research conducted by (Adil et al., 2022), found that financial literacy has a significant effect on investment decisions, both for male and female investors. Meanwhile, (Khatik et al., 2021) in their research, one of the findings was that financial literacy has a significant impact on the behavior of generation Z in Bhopal, India. In addition, it was also found that the financial literacy variable has the largest indirect effect on investment decisions of generation Z in Bhopal.

Sharia financial literacy means the ability and skills of individuals in managing their financial resources based on Islamic principles. Therefore, this study will conduct a hypothesis test stating that Sharia financial literacy has an effect on the investment interest of generation Z of South Sulawesi in the Islamic capital market. Thus, the following hypothesis is obtained:

H2: Sharia financial literacy has a positive effect on the investment interest of Generation Z in the sharia capital market.

The influence of investment motivation on the investment interest of generation Z of South Sulawesi in the sharia capital market

Motivation is an internal factor that stimulates and drives behavior (Duan et al., 2020). Research related to the influence of investment motivation on investment interest has been conducted by (Amhalmad & Irianto, 2019) and from this study it was stated that investment motivation has an influence on investment interest. This finding is in line with the results of research conducted by (Hasanah et al., 2022), which revealed that motivation, investment and financial literacy have a positive influence on students' investment interest in the capital market.

The research conducted by (Darmawan et al., 2019) also found that investment motivation and financial literacy have a significant effect on investment interest. This is in line with SDT, namely that motivation will encourage someone to take a reasoned action that is in accordance with their goals. Based on the results of the explanation above, the following hypothesis was obtained in this study:

H3: Investment motivation has a positive effect on the investment interest of Generation Z in the Islamic capital market.

Financial self-efficacy moderates the influence of investment knowledge on the investment interest of South Sulawesi's generation Z in the Islamic capital market.

Several previous studies have obtained results stating that investment knowledge influences investment interest. One of them is a study conducted by (Apriliani & Murtanto, 2023) which has findings showing that the variable of investment knowledge influences investment interest, as well as the variables of financial self-efficacy and social media technology which have a positive effect on investment interest.

Meanwhile, in the study (Akhtar & Das, 2019) it was found that financial self-efficacy positively moderates the relationship between the influence of the variables of risk-taking tendencies and preferences for Innovation on investment intentions in the capital market. Meanwhile, in the study conducted by (Chatterjee et al., 2011) entitled, it has findings stating that self-efficacy is indeed a predictor of investment for financial assets and also a predictor of wealth creation over time.

Based on the explanation above, in this study the researcher will make financial self-efficacy as a moderating variable, to find out whether financial self-efficacy can strengthen the relationship between investment knowledge and investment interest in the Islamic capital market. Therefore, in this study the following hypothesis was obtained:

H4: Financial self-efficacy moderates the influence of investment knowledge on the investment interest of generation Z in the sharia capital market.

Financial self-efficacy moderates the influence of Sharia financial literacy on the investment interest of South Sulawesi's Generation Z in the Islamic capital market.

There are many studies that suggest that financial literacy has a significant effect on investment interest in the capital market, one of which is a study conducted by (Adil et al., 2022) which states that financial literacy significantly influences investment decisions for both male and female investors. As for the study (Rahmansyah et al., 2022), found that financial efficacy has a positive effect on investment decisions. In addition, it was also found that financial efficacy is something that is very important because before making an investment decision, prospective investors will be rational and believe in their ability to manage finances so that they can obtain finances.

In a study conducted by (Sharmila Devi & Perumandla, 2023), it was found that financial self-efficacy has a negative impact on real estate investment interest and also moderates the relationship between hedonistic attitudes towards real estate investment. Where individuals who have high financial self-efficacy will tend to analyze the financial details of the investment carefully and make decisions based on a good understanding of the potential returns and risks. Therefore, researchers will use financial self-efficacy as a moderating variable in this study to see how financial self-efficacy strengthens the relationship between Sharia financial literacy and Islamic investment interest.

Based on the results of the explanation above, in this study the following hypothesis was obtained:

H5: Financial self-efficacy moderates the influence of Sharia financial literacy on the investment interest of Generation Z in the Islamic capital market.

Financial self-efficacy moderates the influence of investment motivation on the investment interest of generation Z in the Islamic capital market.

According to Bandura (1977), self-efficacy influences a person's choice of activities, effort, and perseverance (Schunk, 1991). Thus, an individual's belief in their ability to achieve their financial goals will influence motivation and encourage individuals to do something. In the study (Nita & Agustika, 2023) also found that self-efficacy affects students' learning motivation at school. The study conducted by (Atmaja & Widodoatmodjo, 2021) stated that there is a positive influence between motivation and investment interest during the Covid-19 pandemic. However, the factors that cause motivation for each person are different due to differences in knowledge, perceptions, and also different points of view.

Meanwhile, (Nurhayadi et al., 2021), one of the findings is that motivation will encourage an increase in investment interest and a decrease in investment motivation will encourage a decrease in investment interest. Meanwhile, (Cuandra, 2020), stated that the relationship between investor personality moderated by financial self-efficacy on investment intentions has a significant positive result. In the study (Pangestika & Rusliati, 2019) it was also found that partially financial self-efficacy has a significant positive effect of 5.4% on students' interest in investing in the capital market.

Therefore, in this study it is assumed that financial self-efficacy moderates (strengthens) the influence of investment motivation on the investment interest of Gen Z in the Islamic capital market. Based on the results of the explanation above, in this study the following hypothesis was obtained:

H6: Financial self-efficacy moderates the influence of investment motivation on the investment interest of generation Z in the Islamic capital market.

Based on the background explanation, literature review and previous research, as well as the explanation of the hypothesis development above, the following is a structured framework for thinking in this research.

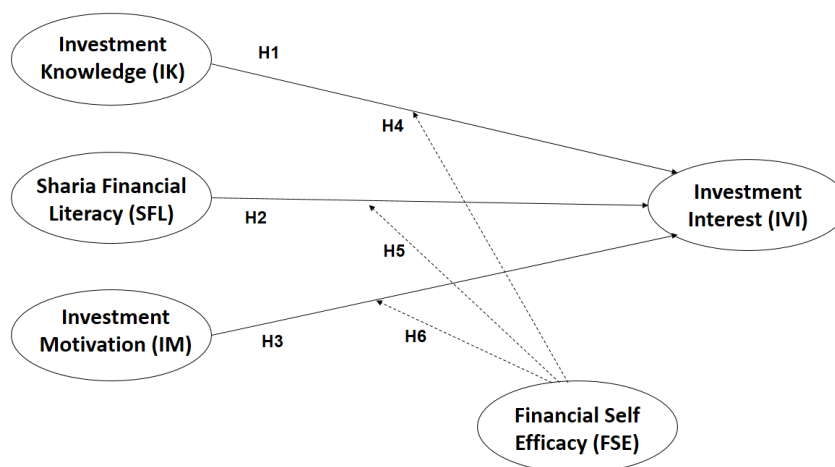


Figure 3. Framework of The Research

C. Research Methodology

C.1. Research Model & Variables

This research is a type of quantitative research, using a survey method through a questionnaire containing questions/indicators. According to Priyono (2008), the quantitative research method is a thought related to the process of forming ideas using nomothetic principles and using deductive patterns (Sahir, 2022). This quantitative method is used to find out how certain behaviors affect other constructs (Sugiyono, 2013). The variables that will be used in this research are:

Table 1. Variables That Will Be Used in This Research

Variables	Definition	References
Endogenous Variable Investment Interest (IVI)	Dewi Kusuma Wardani & Supiati (2020), defines interest as a behavior or affective value that plays an important role in an individual's life, where interest in something can be characterized by behavior that tends to and pays attention to it (Wardani & Supiati, 2020). Thus, investment interest can be interpreted as an attitude that shows interest in carrying out investment activities.	(Wardani & Supiati, 2020)
Exogenous Variables		
1. Investment Knowledge (IK)	Investment knowledge is something related to learning activities regarding investment which will result in an impact in the form of interest which will later influence behavior (Noviyanti & Masdiantini, 2022)	(Noviyanti & Masdiantini, 2022)
2. Sharia Financial Literacy (SFL)	Meanwhile, Sharia financial literacy can be interpreted as the ability to understand the basics of Islamic finance and types of Islamic investment, as well as knowing the benefits obtained from investing in the Islamic capital market (Haidir, 2019).	(Haidir, 2019)
3. Investment Motivation (IM)	Sharpe (2005), defines investment motivation as an effort made to fulfill a person's needs and achieve something they want (Triana & Yudiantoro, 2022).	(Triana & Yudiantoro, 2022)
Moderation Variable Financial Self Efficacy (FSE)	According to Bandura (1999), a person's financial self-efficacy can be described as their ability to make good financial decisions in various aspects of their life (Riaz et al., 2022). Meanwhile, Forbes and Kara (2010) said that financial self-efficacy refers to a person's belief in their ability to organize and carry out actions to achieve one's ultimate financial goals (Riaz et al., 2022)	(Riaz et al., 2022)

C.2. Population & Sample

In this study, the population is generation Z in South Sulawesi province. Population is the whole of a group of individuals, events or other things that are interesting to study (Sekaran & Bougie, 2016). Meanwhile, Sugiono, defines that Population is a general area that includes objects or subjects with special qualities and characteristics that will be selected by researchers for study, and produce conclusions (Sugiyono, 2013).

Generation Z is the generation born after generation Y or the millennial generation, namely born between 1995-2010. Generation Z was born in a technological era that makes them comfortable with technological advances so it is very important for generation Z to remain surrounded and in a technological environment (Andrea et al., 2016). This is also what makes generation Z known as a generation that is inseparable from the internet, carries out activities virtually, and is active (online) on various devices. In addition, generation Z has also been familiar with YouTube, e-learning, smartphones, and various other platforms since elementary school so that generation Z focuses more on speed than accuracy (Nicholas, 2020).

In addition, researchers will use research samples to produce accurate and precise results. According to (Sekaran & Bougie, 2016) Samples are a portion of the selected population. In this study, the researcher used a sampling technique in the form of purposive sampling, namely selecting samples based on predetermined criteria. The criteria are as follows:

1. Respondents were Muslim, both male and female
2. Have income in the form of salary/wages or receive pocket money from parents or guardians
3. Generation Z who are at least 17 years old (born 1995-2006).

This study focuses on the interest of generation Z in South Sulawesi, to invest in the sharia capital market. Therefore, the three criteria above are stated to be sufficient to examine the investment interest of generation Z in South Sulawesi, without adding other criteria or investment experience as research sample criteria or.

According to Hinkin (1995), one method in determining the minimum number of research samples is based on a 1:4 comparison ratio between the number of all question indicators used and the number of respondents. In this study, 5 question indicators were used for the investment knowledge variable, 5 indicators for the Sharia financial literacy variable, 4 question indicators for the investment motivation variable, 5 question indicators for the financial self-efficacy variable, and 5 question indicators for the investment interest variable. Therefore, the minimum number of samples in this study is 24×4 , which is 96 samples or respondents.

The researcher intends to find out how independent variables influence the investment interest of generation Z in the sharia capital market, as well as the role of moderating variables in the relationship between exogenous to endogenous variables.

C.3. Sources & Data Collection Techniques

The data used in this study are primary data obtained directly by researchers from respondents through questionnaires. Meanwhile, the data collection technique used by researchers is by distributing questionnaire links to respondents online, which are then tabulated into Microsoft Excel to be processed using analysis tools. Researchers use Google Forms in compiling questionnaires, then distributed to respondents using a Likert scale of 4.

Table 2. Likert Scale of 4

Scale	Information
1	Strongly Disagree
2	Don't agree
3	Agree
4	Strongly agree

The research questionnaire link was distributed to respondents through social media (WhatsApp and Instagram) starting from November 30, 2023 to December 20, 2023. The total number of respondents who filled out the questionnaire link was 185 respondents, but the data used in the data processing and testing process only totaled 157 respondents. This is because there are respondents who fill out the research questionnaire link but do not match the predetermined sample criteria. In addition, there are also respondents who fill in the answers to the questionnaire with the same numbers in all question indicators, so they are considered not really filling out the questionnaire link and are not included in the research sample.

C.4. Hypothesis Testing Methods

This study will use Partial Least Squares Structural Equation Modeling (PLS-SEM). This study uses a case model approach, namely PLS-SEM analysis, with the aim of maximizing the variance of the dependent or endogenous variable that can be explained by the independent/exogenous or predictor variables (Hair et al., 2017). The analysis tool used in this study is WarpPLS 8.0 software, using two forms of evaluation, namely the measurement modal (outer model) and the structural model (inner model).

Outer Model

1. Validity Test, which is a test conducted with the aim of determining the accuracy of the instrument in measuring the construct through the convergence and discriminant validity values. Convergence can be seen from the Loading Factor and Average Variance Extracted (AVE) output. The Loading Factor value must be 0.708 or more and the AVE value must be above 0.50 (Jr et al., 2021). Meanwhile, discriminant validity can be seen from the output of The Square Root of AVE. This value can be seen in the diagonal column where the value must be greater than the correlation between the latent variables above or below the column.

2. Reliability Test, which is a test conducted to determine the level of stability and consistency of the measuring instrument by looking at the cronbach alpha value and the composite reliability value. According to Fornell & Lacker (1981), cronbach alpha must produce a value above 0.70. According to Nunnally (1978), composite reliability must be above 0.70 (Qoyum et al., 2021).
3. Multicollinearity Test (Full Collinearity VIF), vritical collinearity problems may occur if the variance inflation factor (VIF) value is greater than or equal to 5, so researchers need to reduce the level of collinearity. If the VIF value = 3 - 5, collinearity is usually not critical, and if the VIF value <3, it can be concluded that there is no multicollinearity problem (Hair et al., 2021).

Inner Model

Inner Model is a test conducted to determine the relationship between latent variables, structural model testing can explain predictions or hypotheses of the relationship between independent variables and dependent variables and other variables (Hanike & Damirah, 2018). However, before proceeding to the hypothesis testing stage, a test needs to be conducted to see if the research has good Goodness of Fit (Faizah et al., 2022).

1. Goodness of Fit, which is the geometric mean of the average communalities for the outer model and the average R-square for the inner model. In other words, goodness-of-fit is equal to the square root of the communalities multiplied by R-square (Sun et al., 2018). Goodness of Fit can be seen from the output of the Average R-Squared (ARS) and Average Path Coefficient (APC) values must be below 0.001 and the Average Variance Inflation Factor (AVIF) which is less than 5 and ideally at 3.3 (Qoyum et al., 2021).
2. Coefficient of Determination (R-Squared). The R-Squared value is a measure of the proportion of the endogenous construct variance explained by its predictor construct, which indicates the strength of the model with respect to a particular endogenous construct (Hair et al., 2021). R-Squared values of 0.75, 0.50 and 0.25 are considered substantial, moderate and weak. Meanwhile, an R-Squared value of 0.90 or more is a general indication of overfit (Hair et al., 2019).
3. Predictive Relevance (Q-Squared). The Q-Squared value is a means to assess the predictive relevance of the structural model (inner model) (Hair et al., 2014). A Q-Squared value greater than 0 describes a small accuracy, while a Q-Squared value greater than 0.25 describes a moderate accuracy. Meanwhile, a Q-Squared value greater than 0.50 describes a large predictive accuracy (Hair et al., 2019).
4. Effect Size, namely the measurement results used to assess the relative impact of the predictor construct on the endogenous construct in terms of the strength of the causal relationship (Jr et al., 2021). Effect size can be categorized into three, namely an effect size of 0.02 - 0.15 is categorized as weak, greater than 0.15 is categorized as medium, and greater than 0.35 is categorized as large.

5. Hypothesis can be, namely as a premise or a set of premises formulated as an explanation related to a particular phenomenon, either stated as a temporary assumption to prove an investigation or accepted as established facts (Kothari, 2004). Hypothesis testing is a branch of Inferential Statistics which aims to prove the validity of a statement statistically and produce a conclusion whether the hypothesis is accepted or rejected (Darwin et al., 2021).

In this study, the level of significance used is 5% or 0.05. The smaller the level of significance, the better the results and conclusions. In social and economic research, the level of significance often used is 5% and 10%. However, in health, the level of significance is smaller, namely 1% because it has a high risk and can be fatal.

D. Result & Discussion

D.1. Measurement Model & Structural Model Results

Measurement Model (Outer Model)

1. Validity Test

The validity of the instrument can be seen from the value convergenc enamely the output loading factor and the output average variance extracted (AVE) and discriminant validity which can be seen from the output of the square root of AVE.

Table 3. Factor Loadings and AVE

Variables	Factor Loadings	AVE
<i>Investment Interest</i>		
IVI 1	0,736	
IVI 2	0,845	
IVI 3	0,833	0,666
IVI 4	0,844	
IVI 5	0,817	
<i>Investment Knowledge</i>		
IK 1	0,884	
IK 2	0,881	
IK 3	0,877	0,736
IK 4	0,806	
IK 5	0,837	
<i>Sharia Financial Literacy</i>		
SFL 1	0,757	
SFL 2	0,839	
SFL 3	0,859	0,716
SFL 4	0,874	
SFL 5	0,896	
<i>Investment Motivation</i>		
IM 1	0,803	
IM 2	0,868	0,749
IM 3	0,901	
IM 4	0,886	

Variables	Factor Loadings	AVE
<i>Financial self efficacy</i>		
FSE 1	0,902	
FSE 2	0,840	
FSE 3	0,887	0,747
FSE 4	0,857	
FSE 5	0,835	

Source: WarpPLS, processed primary data

Based on table 3 above, it can be seen that the loading factor each indicator is above 0.7 so that the value is said to be valid. Meanwhile, the average variance extracted (AVE) value of each variable can also be said to be valid because the value is above 0.5.

As for the value *output* the square root of AVE is said to be valid if the value in the diagonal column is greater than the correlation between the latent variables above and below the column. The output of the square root of AVE can be seen in the following table.

Table 4. Correlation Among l.va. with sq. rts. of AVEs

	IVI	IK	SFL	IM	FSE
IVI	(0.816)	0.632	0.653	0.722	0.688
IK	0.632	(0.858)	0.813	0.671	0.686
SFL	0.653	0.813	(0.846)	0.714	0.664
IM	0.722	0.671	0.714	(0.865)	0.671
FSE	0.688	0.686	0.664	0.671	(0.865)

Source: WarpPLS, primary data processed

Based on table 4 above, all values in the diagonal column of each variable can be said to be valid because they have greater values than the other columns.

2. Reliability Test

Reliability testing can be seen from the value *cronbach alpha* and composite reliability.

Table 5. Composite Reliability and Cronbach Alpha

Variables	Composite Reliability	Cronbach's Alpha
IVI	0,909	0,874
IK	0,933	0,910
SFL	0,926	0,900
IM	0,922	0,887
FSE	0,937	0,915

Source: WarpPLS, primary data processed

Based on table 5 above, all values of composite reliability and the cronbach's alpha of each variable is above 0.7. According to Hair et al., the cronbach's alpha value is at least above 0.70 or 0.60 in exploratory research and is below 0.95 to avoid indicator overload that will endanger validity (Hair et al., 2021).

3. Multicollinearity Test

Table 6. Full. Collin. VIF

Variables	Full. Coll.VIF
IVI	2, 578
IK	3, 957
SFL	4, 803
IM	3, 908
FSE	2, 645

Source: WarpPLS, primary data processed

In table 6 above, all values can be seen, VIF of each variable is below 5. If the VIF value is 5 or more, this indicates a collinearity problem that requires researchers to take action to reduce the level of collinearity. (Hair et al., 2021).

Structural Model (Inner Model)

1. Goodness of Fit Test

Table 7. Model Fit and Quality Indices

General Result
Average path coefficient (APC)=0.207, P=0.002
Average R-Squared (ARS)=0.763, P<0.001
Average blockVIF (AVIF)=4.076, acceptable if ≤ 5 , ideally ≤ 3.3

Source: WarpPLS, primary data processed

In viewing the suitability of the research model or goodness of fit, there are three indicators that can be used as a reference. First, the Average Path Coefficient (APC) value = <0.05 , then the Average R-Squared (ARS) = <0.05 and the third is the Average Block VIF (AVIF) value = <5 (Qoyum et al., 2021). As in table 4.10 above, it can be seen that the Average Block VIF (AVIF) value = 4.076 which means it is accepted.

2. Determination Coefficient Value (R-Squared Value)

Table 8. R- Squared

Variables	R-Squared
Investment Interest (IVI)	0.763

Source: WarpPLS, primary data processed

Based on table 8 above, the value *R-Squared* investment interest variable (MI) of 0.763 or 76.3%. From this value, it can be seen that investment interest is influenced by investment knowledge, sharia financial literacy and investment motivation. While the remaining 23.7% is influenced by other variables not included in the study.

3. Hypothesis Testing

In Below is a table that presents the results of hypothesis testing as well as path coefficients and p values with a significance level of <0.05 or 5%.

Table 9. Path Coefficient and P Values

Hypothesis	Analysis Track	Path Coefficients	P value	Results
H1	IK → IVI	0.078	0, 161	Rejected
H2	SFL → IVI	0.280	< 0.001	Accepted
H3	IM → IVI	0.454	< 0.001	Accepted
H4	FSE*IK → IVI	0.156	0.022	Accepted
H5	FSE*SFL → IVI	0.229	0.002	Accepted
H6	FSE*IM → IVI	0.047	0, 277	Rejected

Source: WarpPLS, primary data processed

Based on table 9 above, investment knowledge is stated to have no effect on investment interest. Meanwhile, sharia financial literacy and investment motivation are stated to have a positive effect on investment interest. And, financial self efficacy accepted as a moderating variable of investment knowledge and Sharia financial literacy towards investment interest. However, financial self-efficacy was found not to moderate investment motivation towards investment interest.

4. Effect Size

Table 10. Effect Size

Hypothesis	Path Analysis	Effect Size	Information
H1	IK → IVI	0.051	Weak
H2	SFL → IVI	0.197	Currently
H3	IM → IVI	0.334	Currently
H4	FSE*IK → IVI	0.076	Weak
H5	FSE*SFL → IVI	0.083	Weak
H6	FSE*IM → IVI	0.022	Weak

Source: WarpPLS, primary data processed

Effect Size used to see the relative impact of exogenous constructs on endogenous constructs in terms of the strength of the causal relationship. Based on table 4.13 above, there are only two variables that have an effect size with a medium category, namely the construct of sharia financial literacy (0.197) and investment motivation (0.334) on the construct of investment interest. Meanwhile, the construct of investment knowledge on investment interest has an effect size of 0.051 (weak category). Meanwhile, financial efficacy as a moderating variable of the three exogenous constructs on the endogenous construct has an effect size smaller than 0.15 or is in the weak category.

5. Predictive Relevance Test (Q-Squared)

Table 11. Q-Squared

Variables	Q-Squared
Investment Interest (IVI)	0.594

Source: WarpPLS, primary data processed

Based on the table above, the value Q-Squared on the Investment Interest (IVI) variable of 0.594 or greater than zero. The Q-Squared value must be greater than zero in order to indicate the predictive accuracy of the structural model on the construct. A Q-Squared value greater than zero illustrates a small predictive relevance. While a Q-Squared greater than 0.25 illustrates a moderate predictive relevance and a Q-Squared greater than 0.50 illustrates a large predictive relevance (Hair et al., 2019).

D.2. Discussion

The Influence of Investment Knowledge on Investment Interest

The results of the tests that have been carried out using the software WarpPLS, obtained a path coefficient of 0.078 and a p value of 0.161. The value of the p value is greater than the predetermined significance level of 0.05 or 5%, so the first hypothesis (H1) which states: "Investment knowledge has a positive effect on the investment interest of generation Z in the sharia capital market" is rejected.

The results of this test are in line with the results of research conducted by (Darmawan et al., 2019), (Sari et al., 2021) and (Jayengsari & Ramadhan, 2021) , who also found that investment knowledge has no effect on investment interest. However, the results of this study contradict the studies of Amhalmad & Irianto (2019), Marlin (2020), and Negara & Febrianto (2020) who found that investment knowledge has a partial effect on investment interest.

The test results in this study illustrate that investment-related knowledge does not affect the investment interest of generation Z in South Sulawesi. This is because the majority or 75.8% of respondents in this study have a history of the last education, namely high school equivalent, where the respondents did not get special knowledge related to investment in educational institutions. This can be seen at the percentage level of the total answers divided by the maximum number of answers. The percentage of respondents' answers to the questionnaire in the investment interest indicator is 83.47%, while the percentage of answers to the investment knowledge indicator is 76.78%.

In addition, the age of respondents in this study ranged from 17 to 25 years (the majority were 21 years old with a percentage of 33.12%). Meanwhile, factors that influence knowledge include age, education and experience (Darsini et al., 2019). In some conditions, knowledge is not enough to conceptualize and predict behavior (Ajzen et al., 2011). One of the findings of the study conducted by Ajzen et. al. (2011) on knowledge and behavioral prediction, namely knowledge about alcohol is not related to alcohol drinking behavior. The findings are in line with the findings in this study, namely that knowledge related to investment is not related or does not affect investment interest.

In this study, respondents answers were also obtained in the form of essays through the question "What makes you interested and want to invest in the Islamic capital market?" in the attached research questionnaire. The following are some answers from respondents regarding their reasons for being interested in investing in the Islamic capital market.

Table 12. Respondents Essay Answers

Respondents	Answer
1	<i>Preparing for old age</i>
2	<i>To get your own benefit</i>
3	<i>One way to grow wealth and prepare for your financial future</i>
4	<i>Want to invest well</i>
5	<i>Because it is mutually beneficial</i>
6	<i>Prepare your finances for the future and avoid unnecessary investments;</i>
7	<i>I don't know yet</i>
8	<i>Basically, I only know that investment is about profit and loss, I don't really understand investment or investing in the present.</i>
9	<i>Because I am sure</i>
10	<i>More interesting</i>
11	<i>More blessings</i>
12	<i>Good</i>
13	<i>Want to get lots of money and capital</i>
14	<i>Want to know more about investing?</i>
15	<i>Because it's easier to do it</i>
16	<i>More about planning the future without having to think about taxes or usury</i>
17	<i>Don't know</i>
18	<i>It is definitely safe and beneficial for the world and the hereafter. So far I do not know more specifically about investing in the sharia capital market, but I believe that investing in the sharia capital market will reduce the risks that I fear in the future.</i>
19	<i>There is no interest yet because I still don't understand things related to investment</i>
20	<i>Want to know how to invest in the sharia capital market?</i>
21	<i>The benefits of investing are good for the future</i>
22	<i>Interesting</i>
23	<i>At this time, there is no reason that makes me interested and want to invest in the sharia capital market.</i>
24	<i>Don't know</i>
25	<i>Not interested yet</i>
26	<i>I don't invest anywhere and I don't know anything about it.</i>
27	

Respondents	Answer
28	<i>In my opinion, investing is cool, like saving money that multiplies.</i>
29	<i>Actually, I don't really know what investing in the capital market is, so for now I don't think I'm interested</i>
30	<i>Not yet interested because I don't know much about investing in the sharia capital market</i>
31	<i>I am actually interested in investing but I don't know how and where to start.</i>
32	<i>Because it is in accordance with sharia principles</i>
33	<i>Get profit</i>
34	<i>Cool and nice</i>
35	<i>One way to grow wealth and prepare for my financial future</i>

Source: Processed primary data

Based on the essay answers from the research respondents, it can be seen that there are many respondents who have an interest in investing in the sharia capital market but this interest is not based on knowledge or analytical skills and financial management that they have. In the table above, although some respondents admitted that they did not know and did not understand about investing in the sharia capital market, they were still interested in investing in the sharia capital market. In addition, the table above shows that respondents follow their emotions or feelings and only focus on profit alone, not based on intellectual analytical skills.

The Influence of Islamic Financial Literacy on Investment Interest

The results of hypothesis testing that has been carried out using software WarpPLS, producing output path coefficients of 0.280 and p value of <0.001. The value of the p value is smaller than the predetermined significance level of 0.05, even smaller than 0.01 so that the first hypothesis (H2) which states: "Sharia financial literacy has a positive effect on the investment interest of generation Z in the sharia capital market" is accepted.

The results of this study are in line with and strengthen the results of research that has been carried out (Ramadhani & Cahyono, 2020) and (Oktavia & Musyafa, 2023), which has findings that Islamic financial literacy influences investment interest in the Islamic capital market. In addition, research conducted by (Adil et al., 2022) also has findings stating that financial literacy influences investment decisions.

Respondents knowledge regarding the prohibition of interest or usury influences respondents interest in investing in the Islamic capital market, assuming that respondents have confidence that products in the Islamic capital market are in accordance with Islamic law. In addition, respondents' knowledge regarding the concept of inflation, risks related to assets and profit-sharing calculations on Islamic financial products has an impact on individual tendencies towards something or in this case, the interest in investing in the Islamic capital market.

The Islamic financial literacy possessed by respondents contributes in the form of an influence on respondents' interest in investing in the Islamic capital market. This is in line with *theory of planned behavior* which was put forward by Ajzen (1991), where individual attitudes will influence individual intentions and behavior. From the results of testing in this study, it can be concluded that the higher the level of financial literacy of generation Z in South Sulawesi province, the higher the interest of generation Z in investing in the sharia capital market.

The Influence of Investment Motivation on Investment Interest

The results of hypothesis testing that has been carried out using software WarpPLS, producing output path coefficients of 0.454 and p value of <0.001. The value of the p value is smaller than the predetermined significance level of 0.05, even smaller than 0.01 so that the first hypothesis (H3) which states: "Investment motivation has a positive effect on the investment interest of generation Z in the sharia capital market" is accepted. The results of this study are in line with and strengthen the research conducted by Darmawan et. al. (2019), Amhalmad & Irianto (2020), Marlin (2020), and research conducted by Jayengsari & Ramadhan (2021) which found that investment motivation has an influence on investment interest. However, the results of this study are contrary to the results of research conducted by Saputra et. al. (2023) which found that investment motivation has no effect on investment interest in sharia stocks.

Based on the data obtained through the questionnaire, the respondents of the study have high investment motivation. This can be seen from the majority of respondents' answers who chose to agree and strongly agree in each question indicator. The majority of Generation Z who were the research samples showed that they had high motivation to invest. The hierarchy of needs theory proposed by Maslow (1943) states that the most basic human needs and the main factor in the emergence of motivation are physiological needs. This need is a human need to survive or is called a primary need. Meanwhile, investment is one way for individuals to save their wealth as future savings or to be on guard in case of an unexpected situation that could threaten their survival.

On the test results effect size, the investment motivation variable has a medium category effect size on investment interest, which is 0.334. Based on the results of hypothesis testing in this study, it can be concluded that the investment motivation of generation Z in South Sulawesi has a positive effect on the interest of generation Z to invest in the sharia capital market. The higher the investment motivation of generation Z, the investment interest of generation Z in South Sulawesi will also increase.

The Influence of Investment Knowledge on Investment Interest After Being Moderated by Financial Self Efficacy

Based on the results of tests that have been carried out using software WarpPLS, the first hypothesis (H1) namely investment knowledge has a positive effect on investment interest, obtained insignificant results because the p value was 0.161 or > 0.05 , with path coefficients of 0.078. However, the test results by making financial self-efficacy a moderating variable on the relationship between investment knowledge and investment interest, obtained an output path coefficient of 0.156 and a p value of 0.022. The value of the p values is smaller than the predetermined significance level of 0.05 or 5%, so the fourth hypothesis (H4) which reads: "Financial self-efficacy moderates the effect of investment knowledge on investment interest of generation Z in the sharia capital market" is accepted.

According to Solimun (2010), moderating variables can be classified into four, one of which is namely pure moderator. This type of moderation can be known if the predictor variable is stated to not significantly affect the dependent variable, but after multiplication with other variables that become moderators produces a significant value (Solimun, 2010). In this study, it was found that investment knowledge has no effect on investment interest. However, in the test that included financial self-efficacy as a moderating variable between investment knowledge and investment interest was stated to be significant. This shows that pure financial self-efficacy interacts with the predictor without being a predictor variable.

In this study, it was found that financial self-efficacy does not strengthen or weaken the relationship between investment knowledge and investment interest of generation Z of South Sulawesi in the sharia capital market. However, financial self-efficacy remains a moderating variable, namely pure moderation or in other words, financial self-efficacy interacts directly with the investment interest variable without being a predictor variable.

The Influence of Islamic Financial Literacy on Investment Interest After Being Moderated by Financial Self Efficacy

The results of this moderation test obtained a path coefficient output of 0.229 and a p value of $0.002 < 0.05$. Therefore, the fifth hypothesis (H5) which reads: "Financial self-efficacy moderates the effect of Islamic financial literacy on investment interest of generation Z in the Islamic capital market" is accepted. The results of this study are in line with the statement of Chatterjee et. al. (2011), who said that self-efficacy is an investment predictor for financial assets and wealth creators over time. In a study conducted by Apriliani & Murtanto (2023), it also found that financial self-efficacy has a positive effect on investment interest.

Research conducted by Nadeem et., al. (2020) has findings that prove that investor decisions in investing in the stock market are influenced by non-material factors, namely psychological factors. The study also found that individuals who have financial self efficacy high are more likely to invest in the stock market. Meanwhile, Cuandra (2020) conducted a study and used financial self-efficacy as a moderating variable to see the effect of investor personality on investment intentions. The study found that financial self-efficacy positively moderates the relationship between investor personality and investment intentions.

From the results of the hypothesis testing and the description above, it can be concluded that, financial self-efficacy has a positive indirect effect and strengthens the relationship between the influence of Islamic financial literacy on the investment interest of generation Z in South Sulawesi. This is in accordance with the theory of self-efficacy proposed by Bandura (1977), namely that individual beliefs will influence the way individuals work in achieving their goals. Bandura and Wood (1989) also said that individuals who have low levels of self-efficacy have the potential to experience failure because they tend to be more negative.

The Influence of Investment Motivation on Investment Interest After Being Moderated by Financial Self-Efficacy

Based on the results of tests that have been carried out using software WarpPLS, the third hypothesis (H3), investment motivation has a positive effect on investment interest, obtained significant results because the p value is < 0.001 with path coefficients of 0.454. However, the results of the moderation variable test indicate that financial self-efficacy does not significantly moderate the relationship between the influence of investment motivation on investment interest. The output of this moderation hypothesis test obtained a path coefficient of 0.047 and a p value of 0.277 which is greater than the significance level of 0.05 or 5%. Therefore, the sixth hypothesis (H6) which reads: "Financial self-efficacy moderates the influence of investment motivation on investment interest of generation Z in the sharia capital market" is rejected.

According to Bandura (1997), self efficacy influence the individual's choice. However, this study found that financial self-efficacy does not strengthen or weaken the influence of investment motivation on the investment interest of generation Z in the Islamic capital market. Meanwhile, in a study conducted by Vancouver (2006) entitled "When Self Efficacy Negatively Related to Motivation and Performance in a Learning Context", it has findings stating that self-efficacy is actually negatively related to motivation or in other words, the higher the level of self-efficacy, the lower the level of motivation.

E. Conclusion & Policy Recommendation

Based on the test results related to the influence of investment knowledge, Islamic financial literacy and investment motivation on investment interest with financial self-efficacy as a moderating variable in the previous chapter, the following conclusions can be drawn:

1. Investment knowledge does not affect investment interest in the sharia capital market. In other words, the investment knowledge possessed by generation Z in South Sulawesi does not affect generation Z's interest in carrying out investment activities. This is because generation Z has an interest in investing in the capital market, even though they do not have basic knowledge about investment.
2. Sharia financial literacy has a positive effect on investment interest in the sharia capital market. This shows that the level of sharia financial literacy of generation Z in South Sulawesi has an effect on investment interest, the higher the level of sharia financial literacy, the higher the level of investment interest in the sharia capital market. This is because generation Z has good financial literacy, so they consider investment as a good thing for their financial decisions.
3. Investment motivation has a positive effect on investment interest in the sharia capital market. This shows that the investment motivation possessed by generation Z in South Sulawesi has an effect on their interest in investing in the sharia capital market. The higher the level of motivation, the higher the investment interest of generation Z in South Sulawesi. This is because generation Z feels the need to fulfill one of their needs, namely having a good financial condition in the future and when experiencing unexpected events, so they are motivated to carry out investment activities. Investment motivation which then becomes one of the factors that influences the investment interest of generation Z.
4. Financial self-efficacy significantly moderates the influence of investment knowledge on investment interest in the Islamic capital market. Pure financial self-efficacy is a pure moderator and interacts with predictors without being a predictor variable. This is because generation Z has confidence in their ability to manage and achieve financial goals. These psychological factors influence generation Z's interest in investing.

5. Financial self-efficacy significantly moderates the influence of Islamic financial literacy on investment interest. Financial self-efficacy has an indirect positive effect and strengthens the relationship between the influence of Islamic financial literacy on investment interest of generation Z in South Sulawesi. This is because generation Z has confidence in their ability to manage and achieve financial goals. These psychological factors affect Islamic financial literacy and the sense of interest or interest of generation Z in making investments. Financial self-efficacy does not significantly moderate the relationship between the influence of investment motivation on investment interest. This is because generation Z has confidence in their ability to manage and achieve financial goals which actually reduces generation Z's motivation.

This research has limited references with exactly the same research model, where researchers have not found previous research that makes financial self-efficacy a variable that moderates the relationship between investment knowledge, Islamic financial literacy and investment motivation towards investment interest in the Islamic capital market. Second, the case study in this study is generation Z in South Sulawesi province which consists of 24 districts and cities. However, none of the respondents in this study came from Wajo Regency, Tana Toraja Regency and North Toraja Regency.

For further researchers hoped that they will use a larger number of samples in order to represent the entire population and produce more accurate research results. In addition, expected to look for other more specific variables that can affect investment interest in the Islamic capital market. For example, risk perception, investor behavior or past behavior, information technology, resources and other variables that can affect interest in making investments.

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