Journal of Economics, Finance and Accounting Studies
ISSN: 2709-0809
DOI: 10.32996/jefas
Journal Homepage: www.al-kindipublisher.com/index.php/jefas

JEFAS
AL-KINDI CENTER FOR RESEARCH AND DEVELOPMENT

| RESEARCH ARTICLE

Kedungkandang District Community Interest in Investing: The Impact of Emotional and Spiritual Intelligence: Evidence from Indonesia

Apriana Rahmawati[1] and Nurika Restuningdiah[2] ✉
[12]*Accounting Department, State University of Malang, Malang, Indonesia*
Corresponding Author: Nurika Restuningdiah, **E-mail**: nurika.restuningdiah.fe@um.ac.id

| ABSTRACT
The growth of interest in investing can be observed through various factors. The factors examined in this study include financial literacy, emotional intelligence, and spiritual intelligence. The research was conducted in the Kedungkandang district, which has the largest population in Malang City. Primary data was collected through questionnaires distributed to 100 respondents and analyzed using SEM-PLS. The results indicate that the inner model of this study is 21.9%, meaning that the variables examined explain 21.9% of the variance in interest in investing. Hypothesis testing reveals that financial literacy has a significant negative impact, emotional intelligence shows no significant effect and spiritual intelligence has a significant positive influence on interest in investing. These findings suggest that while financial literacy might deter interest in investing, spiritual intelligence plays a crucial role in motivating individuals towards investment, highlighting the need for a balanced approach to fostering interest in investing among the population. This study contributes to a deeper understanding of the psychological and intellectual factors that drive investment behavior, particularly in the context of a highly populated urban area like Kedungkandang.

| KEYWORDS

Financial literacy, emotional intelligence, spiritual intelligence, interest in investing.

| ARTICLE INFORMATION

ACCEPTED: 01 September 2024 **PUBLISHED:** 18 September 2024 **DOI:** 10.32996/jefas.2024.6.5.4

1. Introduction
Investment has increasingly become a part of everyday life as more people recognize its importance in achieving long-term financial goals. This growing awareness is driven by the need to plan for future financial security, combat inflation, and gradually build wealth. No longer exclusive to certain groups, investment is now a common choice for individuals seeking to manage their finances more effectively (Candy, 2019). The advent of new technologies has further fueled interest in investing, as companies that innovate become attractive targets for investors looking for growth and high returns (Rahmawati et al., 2021). Sustainable investment growth supports economic expansion, job creation, and societal well-being, prompting governments and financial institutions to collaborate on creating policies that foster a conducive investment environment (Tulder et al., 2021).

In Indonesia, the number of capital market investors has surged over the past two years. As of December 2023, data from the Indonesia Central Securities Depository (2023) reported that the investor count had reached 12.16 million, up from 7.48 million in December 2021 and 10.31 million in December 2022. The vast majority, 99.6%, are individual investors, with civil servants, private sector employees, and teachers making up 32.99% of this group. These investors hold significant assets, with those in these professions controlling IDR 409.15 trillion. The demographic data reveals that investors with a bachelor's degree have assets totaling IDR 94.46 trillion, while those under 30 years old dominate the market, representing 56.43% of investors with assets of IDR 35.09 trillion.

Copyright: © 2024 the Author(s). This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC-BY) 4.0 license (https://creativecommons.org/licenses/by/4.0/). Published by Al-Kindi Centre for Research and Development, London, United Kingdom.

Figure 1. Investor Demographic Statistics Data (Indonesia Central Securities Depository, 2023)

Given this context, the study focuses on individuals aged 20-40 who are already employed as private sector employees, teachers, and civil servants. The selection of the 20-40 age range is due to the fact that individuals within this age group are considered relatively young in the context of long-term financial planning, more capable of taking on risk, and have a sufficiently long time horizon for investment growth. In Figure 1 above, it is shown that private sector employees, teachers, and civil servants are the top occupations dominating the capital market in the individual investor category. This indicates that the financial awareness of individuals working in these fields is higher than in other professions. The high level of financial awareness may be due to how often individuals receive education or training in financial management, investment management, or the ease of opening accounts online, which greatly helps people become investors in the capital market.

The level of public participation in investment in Malang City is crucial for local economic growth. Malang's economy began to develop in 2021, reaching 4%, which then increased to 6.32% in 2022 (BPS, 2021). The number of investors in the capital market indicates the public's interest in investment. According to data from (Anam, 2024), interest in investing in Malang City has been increasing, with the number of single investor identifications (SID) in Greater Malang reaching 248,011 SIDs as of July 2023. Malang City's continuously growing economy demonstrates high investor confidence and a promising outlook. To sustain this economic growth, investment value must remain high and instill confidence in potential investors. Thus, active public participation in investment activities in Malang City will positively impact the city's economic growth and create new investment opportunities. The increasing population, along with the growing interest in investment, can create a favorable investment trend for the surrounding areas. Based on population projections by the Central Bureau of Statistics (BPS) of Malang City, Kedungkandang District is predicted to have significant economic potential due to its large population, high number of productive-age residents, and employment opportunities in the three main employment sectors in Malang City. Therefore, financial literacy needs to be emphasized evenly throughout Malang City, particularly in Kedungkandang District, which has the largest population and is the focus of this study.

Several factors can influence public interest in investment and need to be further examined to provide effective solutions to increase investment participation in Kedungkandang District. Emotional intelligence and spiritual intelligence are two important factors that influence people's interest in investing (Pakdaman et al., 2020). Emotional intelligence is the ability to understand, manage, and express emotions effectively (Rachmi et al., 2024). In the context of investment, emotional intelligence plays an important role in financial planning and sound decision-making. Financial behavior is often driven by various emotions that can influence how a person makes investment decisions. Individuals with good emotional intelligence tend to make more rational investment decisions and are less influenced by emotional pressure and market fluctuations. It is important for investors to be aware of their emotional role in the investment decision-making process and strive to remain objective while following the investment plan that has been established. Managing emotions wisely can help investors minimize the risk of making investment mistakes, reducing impulsivity in decision-making and thus resulting in smarter long-term investment decisions (Mulyadi et al., 2023).

Investment and financial decisions, in general, can be influenced by various factors, including a person's spiritual intelligence. Spiritual intelligence is the ability to understand oneself, others, and the world in a deeper way and influences a person's attitudes, values, and actions in everyday life, including in the context of investment (Fidelis et al., 2024). Spiritual intelligence can play an important role in shaping a person's attitude and behavior related to money and investment. It can help someone think more clearly, act responsibly, and achieve happiness and abundance in their financial life. Spiritual intelligence also plays a role in helping someone find meaning and connection between investment and their values or life goals. Individuals with high spiritual intelligence tend to have a broader perception of life and are better able to overcome challenges (Skrzypińska, 2021). Overall, it can be said that emotional and spiritual intelligence are strong determinants in influencing people's interest in investing. By successfully balancing these two forms of intelligence, individuals can make wiser and more responsible investment decisions that align with their values or goals. This can not only increase financial gains but also enhance overall individual well-being.

This study aims to determine the determinants of interest in investing among the people of Kedungkandang District; besides financial literacy, this study focuses on the role of emotional intelligence and spiritual intelligence. These two factors were chosen because they are considered to have a significant impact on people's investment behavior, both individually and collectively. This research is expected to provide a better understanding of the factors that influence public interest in investment and to develop strategic steps that have the potential to increase financial inclusion and the economic well-being of the people in Kedungkandang District. Additionally, the results of this study are expected to contribute to the development of strategies and policies that can increase investment participation, providing new insights into the context of business psychology and financial behavior.

2. Literature Review

2.1 Maslow's Hierarchy of Needs, Financial Literacy, Emotional Intelligence, Spiritual Intelligence, and Interest in investing

Maslow's Hierarchy of Needs is a psychological theory developed by Abraham Maslow that describes how human needs are organized in a hierarchical structure (Mustofa, 2022). The hierarchy suggests that basic needs must be met before individuals can focus on more complex psychological and self-fulfillment needs. This model is often represented as a pyramid, with the most fundamental needs at the base and the higher-level needs at the top (Peng et al., 2024).

At the bottom of the hierarchy are physiological needs, which are the basic necessities for survival, such as food, water, air, and shelter (Dar & Sakthivel, 2022). Once these are satisfied, individuals naturally seek to fulfill their safety needs, which include personal security, financial stability, health, and protection from danger. After ensuring safety, the next level involves love and belongingness needs, where individuals seek emotional connections, such as friendships, family relationships, and a sense of community or belonging.

Moving up the hierarchy, esteem needs become important, where individuals desire respect, self-esteem, recognition, and achievement. These needs are divided into two categories: esteem for oneself (self-respect, confidence) and the desire for respect from others (status, recognition). Finally, at the top of the pyramid is self-actualization, where individuals strive to realize their full potential, engage in creative activities, and pursue personal growth and self-fulfillment (Rojas et al., 2023).

Maslow's theory suggests that individuals are motivated to fulfill these needs in a specific order, starting with the most basic and progressing toward higher levels of psychological and self-fulfillment needs. However, the progression is not strictly linear, and people may move between different levels depending on their life circumstances and priorities (Rojas et al., 2023).

In this context, understanding these needs can provide a deeper perspective on how financial literacy, emotional intelligence, and spiritual intelligence influence an individual's interest in investing. For instance, individuals who have fulfilled their basic needs and are moving towards higher needs, such as esteem and self-actualization, may be more inclined to understand and develop financial literacy as a means to achieve financial security and greater well-being.

Financial literacy is a crucial key to achieving economic stability, which lies at the midpoint of Maslow's hierarchy of needs, specifically the need for security (Lee & Sims, 2023). Individuals with good financial literacy tend to be better at managing their resources, avoiding financial risks, and making wise decisions, including in terms of investments (Anshori et al., 2024). With a better understanding of money management, they can fulfill their basic and security needs, which in turn allows them to focus on higher needs, such as achievement and recognition.

Emotional Intelligence plays a significant role in financial and investment decision-making. Individuals with high emotional intelligence can recognize and manage their own emotions as well as understand the emotions of others (Anwar & Mustika, 2024). In the context of investing, this means they are better able to control emotional impulses, such as fear or greed, which often lead to poor investment decisions. With good emotional intelligence, investors can make more rational and informed decisions, contributing to long-term success in investing.

On the other hand, Spiritual Intelligence can provide deeper meaning and purpose to financial and investment decisions. Spiritual intelligence encourages individuals to consider their moral values and life goals in every aspect of life, including finances (Dorobantu & Watts, 2024). People with high spiritual intelligence may view investment not only as a tool to achieve financial gains but also as a means to create a positive impact on society and the environment, in line with principles of sustainability and social responsibility.

When financial literacy, emotional intelligence, and spiritual intelligence work synergistically, an individual's interest in investing tends to increase. Financial literacy provides the necessary foundational knowledge, while emotional intelligence aids in risk management and better decision-making. Spiritual intelligence, on the other hand, offers broader direction and purpose, making investment more than just an effort to achieve personal gain but also a part of achieving more meaningful life goals.

Interest in investing can also be seen as part of an individual's effort to achieve self-actualization needs in Maslow's hierarchy. As basic and security needs are met, people begin to seek ways to grow and reach their full potential. Investment can be viewed as a means to accomplish this by providing opportunities for personal and financial growth, as well as a way to contribute to the well-being of others and society.

Thus, the relationship between Maslow's Hierarchy of Needs, financial literacy, emotional intelligence, spiritual intelligence, and interest in investing provides a holistic view of how complex human needs can influence financial and investment decisions. Understanding this relationship can help individuals become wiser in managing their finances, making the right investment decisions, and achieving sustainable well-being, both financially and in life overall.

Hypotheses:
H1: Financial Literacy has a significant effect on Interest in Investing.
H2: Emotional Intelligence has a significant effect on Interest in Investing.
H3: Spiritual Intelligence has a significant effect on Interest in Investing.

Based on the prior studies' results, literature review, conjectures, and hypotheses development, this study posited a research model as follows:

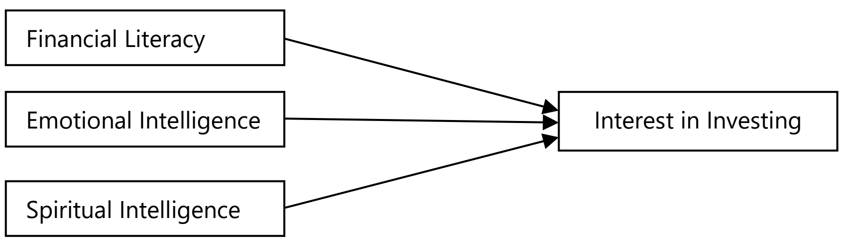

Image 1. Research Model

3. Methodology

3.1 Type of Research

The type of research used is quantitative research, and the method employed is explanatory causal. According to Stebbins (2014), explanatory research is a type of research that aims to analyze the relationships between one variable and another or how one variable affects another variable. The author uses the explanatory causal method to explain the influence relationships between variables, thereby obtaining specific information about the impact of financial literacy, emotional intelligence, and spiritual intelligence on interest in investing.

3.2 Operational Definitions of Variables

Financial Literacy is an individual's knowledge of finance and their ability to make effective financial decisions (Histori, 2022). Financial literacy is measured using indicators such as basic financial knowledge, savings and loans, insurance, and investment (Marini et al., 2024). Financial literacy is measured using a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree).

Emotional Intelligence is the ability of an individual to recognize, understand, manage, and use emotions effectively in various daily life situations (Raza, 2023). Emotional intelligence is measured using indicators of self-awareness, self-management, motivation, social awareness, and relationship management (Raza, 2023). Emotional intelligence is measured using a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree).

Spiritual Intelligence is a concept related to self-awareness and understanding of the spiritual dimension in a person's life. This intelligence includes the ability to recognize and appreciate deeper values, seek meaning and purpose in life, and develop profound relationships with oneself, others, nature, or a greater spiritual force (Dhami et al., 2024). Spiritual intelligence is measured using indicators such as taking time to pray, living life according to the practiced religion, considering religion important to answer questions about the meaning of life, seeking self-improvement, appreciating financial advice from others, remaining calm in the face of financial difficulties, and staying composed and logical when making financial decisions, and considering the benefits of products/goods to be purchased (Dorobantu & Watts, 2024). Spiritual intelligence is measured using a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree).

3.3 Research Design

The research design used in this study is a survey and questionnaire. The data required for this research are primary data in the form of respondents' (subjects') perceptions. Data collection is conducted through direct surveys, and the instrument used is a questionnaire. This questionnaire serves as a research instrument to determine the relationship between financial literacy, emotional intelligence, and spiritual intelligence on interest in investing.

3.4 Reason for Selecting the Research Location

The research location chosen is Kedungkandang District in Malang City because Malang City has a high level of financial literacy (Anam, 2024), and the population density in Kedungkandang District is the highest (BPS, 2023). Therefore, it is expected that selecting a sample in the Kedungkandang District can represent the research population. The residents of Kedungkandang District also have diverse professions across various sectors.

3.5 Population and Sample Determination

The population in this study consists of all residents in Malang City, totaling 847,182 people. The sample size for this study is 100 people determined using the Slovin formula with a margin of error of 10%. A 10% margin of error is used to ensure that the sample size is not too large. Variable measurement uses a five-point Likert scale to measure respondents' attitudes, opinions, and perceptions of social phenomena. When this scale is used in measurement, it will produce interval or ratio data.

3.6 Data Sources and Data Collection Techniques

The data source used in this study is primary data, which is obtained from respondents' answers to the provided questionnaire. The data collection technique involves distributing the questionnaire online via Google Forms, which is then sent to respondents through WhatsApp and email. This technique is chosen because it allows respondents to feel comfortable, not rushed, and free from pressure. This is necessary because the research topic involves personal preferences, and respondents need to feel at ease and not under stress to provide genuine responses on the questionnaire.

4. Results and Discussion

4.1 Overview of Respondents

The respondents of this study are residents of Kedungkandang District, totaling 100 respondents. Based on the questionnaire, the respondents' characteristics by age are predominantly in the 30-40 year age group. In terms of gender, the respondents are predominantly male, 84.7 percent. Regarding education level, the majority have a bachelor's degree (S1), comprising 60 percent of the respondents. The majority of respondents work as private sector employees.

4.2 Measurement Model Results (Outer Model)

The evaluation of the measurement model is a step aimed at assessing the validity and reliability of the constructs. The outer model assessment involves three criteria: convergent validity, discriminant validity, and composite reliability.

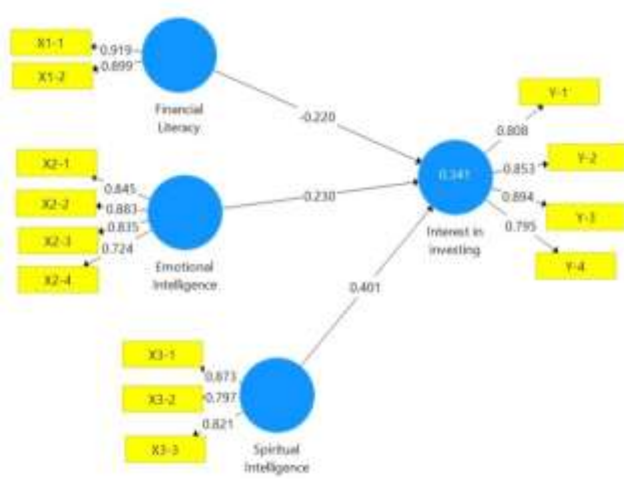

Image 2. Outer Model

4.3 Convergent Validity

This section discusses validity and reliability in PLS by focusing on the reliability of latent constructs and testing validity through convergent and discriminant validity. First, latent construct reliability is assessed using internal composite reliability (Cheung et al., 2024). The ICR values should be higher than 0.60 (Purwanto & Sudargini, 2021). As shown in Table 3, all constructs have ICR values above 0.6, indicating they meet the requirements for reliability analysis. Second, convergent validity is evaluated using the standardized loading factor and average variance extracted (AVE). According to Purwanto & Sudargini (2021), the standardized loading factor should be greater than 0.6, with each item having a significant t-value at the $p<0.001$ level (t-statistics >1.96). Additionally, the AVE value should exceed 0.5 (Purwanto & Sudargini, 2021). Table 1. demonstrates that all indicators used to measure their respective constructs have standardized loading factors above 0.6, with t-statistics greater than 1.96, confirming that all measurement items are appropriately loaded on their constructs. Furthermore, all AVE values exceed 0.5, indicating strong convergent validity within the constructs in this study.

	Emotional Intelligence	Financial Literacy	Interest in investing	Spiritual Intelligence
X1-1		0.919		
X1-2		0.899		
X2-1	0.845			
X2-2	0.883			
X2-3	0.835			
X2-4	0.724			
X3-1				0.873
X3-2				0.797
X3-3				0.821
Y-1			0.808	
Y-2			0.853	
Y-3			0.894	
Y-4			0.795	

Table 1. Outer Loadings

4.4 Discriminant Validity

Discriminant validity serves as proof that a latent construct predicts the measures in its block better than the measures in other blocks. Discriminant validity in the context of reflective indicator measurement models can be assessed by examining the cross-loading measurements with constructs. An indicator is considered valid if the targeted cross-loading value is greater than the cross-loading values with other constructs (Trianasari et al., 2022). A model is said to have good discriminant validity if each cross-loading value of each indicator from a latent variable has the highest cross-loading value compared to its cross-loading with other latent variables.

	Emotional Intelligence	Financial Literacy	Interest in investing	Spiritual Intelligence
X1-1	-0.084	0.919	-0.258	-0.155
X1-2	-0.136	0.899	-0.232	0.064
X2-1	0.845	-0.159	0.383	0.484
X2-2	0.883	-0.055	0.358	0.191
X2-3	0.835	-0.158	0.236	0.106
X2-4	0.724	-0.002	0.206	0.100
X3-1	0.193	0.058	0.358	0.873
X3-2	0.176	0.020	0.271	0.797
X3-3	0.335	-0.158	0.504	0.821
Y-1	0.314	-0.247	0.808	0.442
Y-2	0.450	-0.152	0.853	0.409
Y-3	0.299	-0.259	0.894	0.387
Y-4	0.182	-0.255	0.795	0.379

Table 2. Cross Loading

Based on the cross-loading values above, it can be observed that all indicators forming each variable in this study (values in bold) have met discriminant validity, as they have the highest outer loading values for the variables they form and not for other variables. Therefore, all indicators in each variable in this study meet the requirements for discriminant validity.

4.5 Composite Reliability

The evaluation of the measurement model using the square root of the average variance extracted (AVE) involves comparing the square root of the AVE with the correlations between constructs. If the square root of the AVE is higher than the correlation values between the constructs, good discriminant validity is achieved. Additionally, an AVE value of ≥0.50 is highly recommended. The next step in analyzing the outer model is to assess the reliability of the latent variable constructs using two criteria: composite reliability and Cronbach's alpha. A construct is considered reliable if both the composite reliability and Cronbach's alpha values are ≥0.60 (Taber, 2018).

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Emotional Intelligence	0.844	0.890	0.894	0.679
Financial Literacy	0.791	0.797	0.905	0.827
Interest in investing	0.859	0.863	0.904	0.703
Spiritual Intelligence	0.789	0.832	0.869	0.690

Table 3. Constructs Model

From the table above, the AVE values for the four constructs are greater than 0.50, indicating that the evaluation of the measurement model has good discriminant validity. Additionally, the composite reliability and Cronbach's alpha values are above 0.60, leading to the conclusion that the constructs have good reliability.

4.6 Structural Model (Inner Model)

The purpose of testing the structural model (Inner Model) is to examine the relationships between variables. There are several measures that can be used in SmartPLS 3.0 to test the structural model. This test is conducted to determine the predictive strength of the structural model. In SmartPLS, this value can be observed through the R-Square found in the endogenous (dependent) variable. The predictive strength can be evaluated using the R-Square criteria: 0.67 is strong, 0.33 is moderate, and 0.19 is weak (Purwanto & Sudargini, 2021).

The inner model, also known as the structural model, is evaluated using the R-square for dependent constructs, the Stone-Geisser Q-Square test for predictive relevance, and t-tests, along with the significance of the structural path coefficient parameters. Changes in the R-square value can be used to assess whether a specific independent latent variable has a substantial effect on the latent dependent variable. The Q-Square value, on the other hand, can be used to measure how well the observed values are generated by the model and its parameter estimates. A Q-Square value greater than 0 indicates that the model has predictive relevance, while a Q-Square value less than 0 indicates that the model lacks predictive relevance.

	Q^2
Interest in investing	0.219

Table 4. Construct Crossvalidated Redundancy

A Q^2 value of 0.219 indicates that the structural model designed in this study explains 21.9 percent of the variance in the data, while the remaining 78.1 percent is explained by factors outside the model. Based on this result, it can be said that the structural model in this study is good because it approaches a value of 1.

4.7 Hypothesis Testing in PLS

Statistical testing of each hypothesized relationship is conducted using simulation. In this case, the bootstrapping method is applied to the sample. Bootstrapping is also intended to minimize issues related to data non-normality in the research. The results of the bootstrapping test from the PLS analysis are as follows:

	Original Sample (O)	Sample Mean (M)	Standard Deviation	T-Statistic	P Values
Emotional Intelligence	0.230	0.253	0.130	1.771	0.077
Financial Literacy	-0.220	-0.221	0.082	2.699	0.007
Spiritual Intelligence	0.401	0.426	0.108	3.733	0.000

Table 5. Hypothesis Testing

4.8 The Influence of Financial Literacy on Interest in Investing

Financial literacy has a negative and significant effect on interest in investing. The path coefficient value for financial literacy on interest in investing is -0.220 with a p-value of 0.007 < 0.05. This result indicates that H1 is accepted; financial literacy has a significant negative effect on interest in investing. The findings show that financial literacy directly affects interest in investing by -0.220 percent, meaning that an increase in financial literacy by one unit will result in a 0.220 percent decrease in interest in investing.

This negative effect suggests that people in the Kedungkandang District currently have a low interest in investing despite having some understanding of financial literacy. Although the community understands basic financial concepts and the importance of money management, this understanding is not sufficient to encourage participation in investment activities. The majority of respondents in this study are employed in the private sector. Jobs in the private sector often come with higher levels of uncertainty compared to the public sector, such as potential company changes, restructuring, or job loss risks. This situation encourages private sector workers to maintain accessible reserves to handle emergencies or urgent needs. Factors such as liquidity preference and saving tendencies may hinder investment. The current preference for liquidity makes people feel more secure than investing in long-term, less liquid assets or securities.

This study yields results similar to the previous research by Sukmawati (2023), which shows that the impact of financial literacy on interest in investing is significantly negative. In this study, respondents consisting of male private-sector workers displayed a similar pattern, where higher financial literacy does not necessarily increase their interest in investing. These findings indicate that although financial literacy can enhance understanding of investments, it does not always encourage a greater interest in investing. On the contrary, individuals with higher financial literacy may become more aware of the risks and potential losses associated with investments, which can decrease their interest in investing.

4.9 The Influence of Emotional Intelligence on Interest in investing

Emotional intelligence does not have an effect on interest in investing, as indicated by a p-value of 0.077 > 0.05. This suggests that H2 is rejected, meaning emotional intelligence does not impact interest in investing. Emotional intelligence does not affect interest in investing because the respondents in this study are predominantly private sector workers. Many private sector employees prioritize financial stability, such as maintaining liquid savings or ensuring timely bill payments. Emotional intelligence may lead them to seek this stability first, with interest in investing emerging only after they feel financially secure. Private sector workers may face high work pressures and time constraints, making them more likely to focus on immediate and urgent tasks rather than learning about and making investment decisions. Emotional intelligence may help them manage these pressures, but it is not necessarily related to the motivation to invest, which requires long-term analysis and planning. The work environment in the private sector can be highly competitive and demanding, focusing on job performance and short-term targets. In such conditions, emotional intelligence may be more used for maintaining emotional balance at work rather than making investment decisions, which are seen as less directly related to their career or performance.

The results of this study are similar to research by Dwiastanti & Wahyudi (2022), which examined the impact of emotional intelligence on financial management. That study found that emotional intelligence does not influence financial management. This finding also applies to respondents who are private-sector workers, indicating that although emotional capabilities can affect various aspects of life, they do not necessarily have a direct impact on financial management behavior. This could be due to other factors that are more dominant in influencing how private-sector workers manage their finances, such as personal experience, financial situation, or spending habits.

4.10 The Influence of Spiritual Intelligence on Interest in investing

Spiritual intelligence has a significant positive effect on interest in investing. The path coefficient value for spiritual intelligence on interest in investing is 0.401 with a p-value of 0.000 < 0.05. This result indicates that H3 is accepted, meaning spiritual intelligence has a significant positive effect on interest in investing. This finding shows that spiritual intelligence affects interest in investing by 0.401 percent, meaning that an increase in spiritual intelligence by one unit will result in a 0.401 increase in interest in investing.

Spiritual intelligence has a significant positive effect because the majority of respondents are male private sector workers. Spiritual intelligence often involves a deep understanding of ethical and moral values. Male private sector workers with high spiritual intelligence are more likely to be interested in investments that align with their ethical principles, such as Sharia-compliant investments or those with positive social impact. They may seek investments that are not only financially profitable but also meet the moral and ethical standards they adhere to. Spiritual intelligence can help individuals manage investment risks in a more balanced way. Individuals with spiritual intelligence may have a calmer approach to market fluctuations because they view investments within a broader context as part of a financial plan that aligns with their spiritual and long-term goals.

This study supports Maslow's theory of needs, which posits that higher-level needs, such as self-fulfillment and ethical values, can influence behavior and decision-making. In this case, spiritual intelligence, reflecting higher-level needs, contributes to a more considered and values-driven approach to financial management and investment decisions. Penelitian ini memberikan hasil yang sama dengan penelitian Sigo et al. (2018) which found that spiritual intelligence has a significant positive impact. The findings suggest that individuals with high spiritual intelligence are more likely to engage in financial management and investment decisions that align with their values and ethical standards. This positive impact underscores the role of spiritual intelligence in guiding behavior toward financial decisions that reflect personal and ethical principles.

5. Conclusion

Based on the hypothesis testing, it can be concluded that financial literacy has a significant negative effect on interest in investing. Although financial literacy can enhance understanding of investments, it does not always encourage a greater interest in investing. On the contrary, individuals with higher financial literacy may become more aware of the risks and potential losses associated with investments, which can decrease their interest in investing. Emotional intelligence does not affect interest in investing. This may be due to other factors that are more dominant in influencing how private-sector workers manage their finances, such as personal experience, financial situation, or spending habits. Spiritual intelligence has a positive effect on interest in investing. Individuals with high spiritual intelligence are more likely to engage in financial management and investment decisions that align with their values and ethical standards. This suggests that spiritual intelligence plays a significant role in guiding individuals toward investments that reflect their personal and ethical principles. Overall, the study indicates that while financial literacy and emotional intelligence may not directly drive interest in investing, spiritual intelligence provides a significant positive influence by aligning investment choices with personal values and ethical considerations.

The study has several limitations, including the measurement of financial literacy and emotional intelligence that may not encompass all relevant dimensions, as well as the sample characteristics that may not represent the broader population due to the majority of respondents coming from the private sector. Future research should include a more diverse sample and use comprehensive measures to capture a wider range of financial literacy and emotional intelligence dimensions. Additionally, incorporating qualitative methods and exploring other factors, along with testing targeted interventions, can provide deeper insights and improve investment behavior outcomes.

Funding: This research was funded by the State University of Malang, Faculty of Economics and Business
Conflicts of Interest: The authors declare no conflict of interest.
ORCID iD: https://orcid.org/0000-0003-3999-4340
https://orcid.org/0000-0001-8329-3993

References

[1] Ahmad D, S., & Sakthivel, D. P. (2022). Maslow's Hierarchy of Needs Is still Relevant in the 21st Century. *Journal of Learning and Educational Policy*, *25*, 1–9. https://doi.org/10.55529/jlep25.1.9
[2] Anam, C. (2024). *The number of capital market investors in OJK Malang has reached 270,028 Single Investor Identifications (SIDs)*.
[3] Anshori, S., M, & Restuningdiah, N. (2024). The Influence of Investors' Perceptions of Stock Influencer Credibility on Herding Behavior With Financial Literacy as a Moderating Variable. *International Journal of Business and Applied Economics*, *3*(1), 199–210. https://doi.org/10.55927/ijbae.v3i1.8017
[4] Anwar, A., & Mustika, M. D. (2024). Emotional Intelligence as Predictor of Work Motivation: The Mediating Role of Self-Esteem - Case of Prospective Indonesian Domestic Migrant Workers. *Psikostudia : Jurnal Psikologi*, *13*(1), 126. https://doi.org/10.30872/psikostudia.v13i1.14734
[5] BPS. (2023.). *Population by District and Gender*. https://malangkota.bps.go.id/indicator/12/48/1/jumlah-penduduk-menurut-kecamatan-dan-jenis-kelamin.html
[6] BPS. (2021). *Malang City experienced positive growth*.
[7] Candy, C. (2019). What Makes an Individual Invest in Stocks? *Journal of Global Business and Management Review*, *1*(2), 37. https://doi.org/10.37253/jgbmr.v1i2.655
[8] Cheung, G. W., Cooper-Thomas, H. D., Lau, R. S., & Wang, L. C. (2024). Reporting reliability, convergent and discriminant validity with structural equation modeling: A review and best-practice recommendations. In *Asia Pacific Journal of Management* (Vol. 41, Issue 2). Springer US. https://doi.org/10.1007/s10490-023-09871-y
[9] Dhami, M., Sharma, S., & Kang, T. K. (2024). A study of spiritual intelligence and its relationship with locus of control among youth. *Journal of Community Mobilization and Sustainable Development*, *19*(spl), 277–283. https://doi.org/10.5958/2231-6736.2024.00082.6
[10] Dorobantu, M., & Watts, F. (2024). Perspectives on Spiritual Intelligence. In *Perspectives on Spiritual Intelligence*. https://doi.org/10.4324/9781032646244
[11] Dwiastanti, A., & Wahyudi, A. (2022). The Role of Intellectual Intelligence, Emotional Intelligence, and Spiritual Intelligence on Financial Management of Micro, Small, and Medium Enterprises (MSMEs) in Malang City. *INOBIS: Jurnal Inovasi Bisnis Dan Manajemen Indonesia*, *5*(2), 241–254. https://doi.org/10.31842/jurnalinobis.v5i2.227
[12] Fidelis, A., Moreira, A. C., & Vitória, A. (2024). Multiple perspectives of spiritual intelligence: A systematic literature review. *Social Sciences and Humanities Open*, *9*(May 2023). https://doi.org/10.1016/j.ssaho.2024.100879
[13] Histori, O. (2022). Financial Literacy, Social Influence And The Use Of Digital Payments: A Literature Review. *Proceeding of The International Conference on Economics and Business*, *1*(2), 206–220.

[14] Indonesia Central Securities Depository. (2023). *Statistik Pasar Modal Indonesia*. https://www.ksei.co.id/files/Statistik_Publik_Desember_2023_v3.pdf

[15] Lee, B. T. F., & Sims, J. P. (2023). Maslow's Hierarchy of Needs: A Framework for Understanding China's SOEs, SMEs and Decentralisation. *China Report*, *59*(4), 402–421. https://doi.org/10.1177/00094455231187692

[16] Malang, B. P. S. K. (2023). *No Title*. https://malangkota.bps.go.id/indicator/12/48/1/jumlah-penduduk-menurut-kecamatan-dan-jenis-kelamin.html

[17] Marini, M., Yusmaniarti, Y., Faradilla, I., & Setiorini, H. (2024). Measuring The Financial Performance Of Msmes From The Perspective Of Financial Literacy, Financial Inclusion And Financial Technology. *EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis*, *12*(1), 285–296. https://doi.org/10.37676/ekombis.v12i1.5323

[18] Mulyadi, M., Zulkifli, Z., & Widyastuti, T. (2023). Analysis of Factors Affecting Investment Decisions and its Implications on Organizational Performance. *Interdiciplinary Journal and Hummanity (INJURITY)*, *2*(9), 784–794. https://doi.org/10.58631/injurity.v2i9.111

[19] Mustofa, A. Z. (2022). Hierarchy of Human Needs: A Humanistic Psychology Approach of Abraham Maslow. *Kawanua International Journal of Multicultural Studies*, *3*(2), 30–35. https://doi.org/10.30984/kijms.v3i2.282

[20] Pakdaman, M., Practice, M. B.-A. of P., & 2020, U. (2020). The study of the effect of psychological capital and spiritual intelligence on the performance of individuals: a review study. *Archivepp.Com*, *11*, 126–136. https://archivepp.com/storage/models/article/j0g9g3tUtIiPkUK7VdJxixRQaqiyiYkuF7ki9eAhWXzZlJgqfFkYSOoEaSqY/the-study-of-the-effect-of-psychological-capital-and-spiritual-intelligence-on-the-performance-of-.pdf

[21] Peng, J., Luo, Z., Tan, Y., Jiang, H., Yin, R., & Yan, J. (2024). Advances in Applied Energy Balancing stakeholder benefits : A many-objective optimal dispatch framework for home energy systems inspired by Maslow's Hierarchy of needs. *Advances in Applied Energy*, *13*(November 2023), 100160. https://doi.org/10.1016/j.adapen.2023.100160

[22] Purwanto, A., & Sudargini, Y. (2021). Partial Least Squares Structural Squation Modeling (PLS-SEM) Analysis for Social and Management Research : A Literature Review. *Journal of Industrial Engineering & Management Research*, *2*(4), 114–123.

[23] Rachmi, R., Asri, A., Sa'diyah, S., Nuswantoro, P., & Mokodenseho, S. (2024). The Influence of Emotional Intelligence and Effective Communication on Interpersonal Relationship Quality and Life Satisfaction in Indonesia. *The Eastasouth Journal of Social Science and Humanities*, *1*(02), 68–83. https://doi.org/10.58812/esssh.v1i02.213

[24] Rahmawati, A., Roekhudin, R., & Prastiwi, A. (2021). Effect of good corporate governance and corporate social responsibility on firm value moderate by profitability. *International Journal of Research in Business and Social Science (2147- 4478)*, *10*(4), 59–66. https://doi.org/10.20525/ijrbs.v10i4.1194

[25] Raza, A. (2023). The role of emotional intelligence in effective leadership and decision-making in business management. *AI and Emotional Intelligence for Modern Business Management*, 98–112. https://doi.org/10.4018/979-8-3693-0418-1.ch007

[26] Rojas, M., Méndez, A., & Watkins-Fassler, K. (2023). The hierarchy of needs empirical examination of Maslow's theory and lessons for development. *World Development*, *165*, 106185. https://doi.org/10.1016/j.worlddev.2023.106185

[27] Sigo, M. R. N., Hariani, L. S., & Walipah, W. (2018). Pengaruh Literasi Keuangan Kecerdasan Spiritual Dan Pendidikan Keuangan Di Keluarga Terhadap Pengelolaan Keuangan Mahasiswa. *Jurnal Riset Pendidikan Ekonomi*, *3*(1), 1–9. https://doi.org/10.21067/jrpe.v3i1.3812

[28] Skrzypińska, K. (2021). Does Spiritual Intelligence (SI) Exist? A Theoretical Investigation of a Tool Useful for Finding the Meaning of Life. *Journal of Religion and Health*, *60*(1), 500–516. https://doi.org/10.1007/s10943-020-01005-8

[29] Stebbins, C. R. A. (2014). *in the Social Sciences, WHAT IS EXPLORATION ? January 2001*, 2–18.

[30] Taber, K. S. (2018). The Use of Cronbach's Alpha When Developing and Reporting Research Instruments in Science Education. *Research in Science Education*, *48*(6), 1273–1296. https://doi.org/10.1007/s11165-016-9602-2

[31] Trianasari, E., Yuniwati, I., & Suryantini, M. D. (2022). SEM-PLS Analysis of Factors Affecting the Effectiveness of English Course Online Learning during Covid-19 Pandemic. *Jo-ELT (Journal of English Language Teaching) Fakultas Pendidikan Bahasa & Seni Prodi Pendidikan Bahasa Inggris IKIP*, *9*(1), 83. https://doi.org/10.33394/jo-elt.v9i1.5228

[32] Tulder, R., Rodrigues, S. B., Mirza, H., & Sexsmith, K. (2021). The UN's Sustainable Development Goals: Can multinational enterprises lead the Decade of Action? In *Journal of International Business Policy* (4, 1, 1–21). https://doi.org/10.1057/s42214-020-00095-1