FACTORS THAT AFFECT INVESTOR'S INTENTION TO INVEST IN SOCIAL RESPONSIBILITY INVESTMENT (SRI)

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DECLARATION

We hereby declare that:

(1) This undergraduate FYP is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the FYP.

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DEDICATION

Dedicated to

Mr Chong Tun Pin

Mr Chong Tun Pin is our final year project supervisor and he is the one who willing to supervise and guide us patiently throughout the process of this research project.

Respondents

Those who are willing to scarify their time to help us fill up the survey questionnaire form.

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LIST OF ABBREVIATIONS

CDS	Central Depository System
CMP 2	Capital Masterplan 2
CSR	Corporate Social Responsible
ITI	Industry Transformation Initiative
KLCI	Kuala Lumpur Composite Index
MPT	Modern Portfolio Theory
NEP	New Ecological Paradigm
OECD	Organisation for Economic Cooperation and Development
PCE	Perceived Consumer Effectiveness
PSA	Pro-social Attitudes
REITs	Real Estate Investment Trusts
ROI	Return on Investment
SC	Securities Commission
SEE	Social, Environmental and Ethical

SPSS	Statistical Package for Social Science
SRI	Social Responsibility Investment
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action

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PREFACE

Social responsibility investment (SRI) is a kind of investment that focus on company that bring positive effects to the environment. SRI had started in Malaysia from 2006, however, there is still lack of studies about SRI in Malaysia. Besides, government also promoting SRI to attract more investors enter into SRI markets. Thus, this research aims to study the factors that affect investor's intention toward SRI. The independent variables comprise of environmental concern, perceived consumer effectiveness (PCE), attitude toward social responsibility investment and return. Survey method is used to capture investor's intention to invest in SRI. The data collected will proceed by analysis of data with various test such as multi-regression test, Pearson Correlation Analysis, independent T-test and others. This research is useful for government and company in order to better understand the factors that can affect investor's intention to invest in SRI, and develop their ways to promote and attract more SRI investors.

ABSTRACT

To promote better understanding for socially responsible investment in Malaysia, research on the factor that affect the investor's intention on socially responsible investment is being carried out. The purpose of this research is to study the investor's intention to invest in social responsibility investment. Four independent variables are included in this study, which are environmental concern, perceived consumer effectiveness, attitude towards socially responsible investment and return. For collecting data purpose, 500 questionnaires are distributed to potential investors in three states. Three states selected are Penang, Selangor and Johor. All the data collected is being analysed through Statistical Package for Social Science (SPSS). All the data being observed through descriptive analysis, reliability analysis and inferential analysis. Inferential analysis includes multi-regression model, ANOVA test, Pearson Correlation analysis, and independent sample t-test. The research finding shows that environmental concern, perceived consumer effectiveness and attitude toward social responsibility investment have significant relationship with investor's intention to invest in social responsibility investment while return does not have relationship with investor's intention on social responsibility investment.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

Environmental sustainability issue is considered as the most significant issue that people face in today's world due to the climate changes and global economic crisis (Williams, 2007). At present, Social Responsibility Investment (SRI), which is an investment that is not only consider the return but more concerns about the social, environmental and ethical aspect when making an investment decision has increasingly attracted the global investors. It has been agreed that the behaviour of an investor to invest in SRI is affected by their financial goal and their concerns about the social, environmental and ethical (SEE) (Adam & Shauki, 2014). However, further examination is needed to study how the investor's goal and their SEE concerns translated into actual behaviour to invest in SRI. Therefore, it is essential to understand the influences that investors consider before they invest in SRI.

The first chapter discussed the background and the concept of this project. The background of this research, problem, objective, questions and significant of this study also stated in this chapter.

1.1 Research Background

An investment is an allocation of money in the expectation of some benefits in future, which includes investment in real estate, durable goods and financial assets. Nowadays, many people would choose to invest their money rather than just keeping the money. The reason of why investment is important because keeping money hidden does not carry any value but if someone chooses to invest money, there will be an opportunity to gain returns but the risks may come along with the yield as well. In the world of investment, there are many investments to be invested, for instance, stock, bonds, unit trust funds, insurance, options and others as well.

Among all of these investment products, investment in stock market is becoming a trend in real life. According to Amir (2018), in July 2018, KLCI index of Malaysia's stock market was having a rising trend until it reached 1,700 points and it showed that Malaysia's stock market was optimistic for investors to invest. To define stock market, it can be said that it is a platform where the sellers and buyers will aggregate here for the trading of stocks according to the demand and supply of stock.

Under stock market, there are two types of stocks, which are common stocks and preferred stocks. Among these two types of stocks, there are many different types stocks in terms of sector which can be invested. The sectors include telecommunication, technology, energy, fashions and others sectors as well. Despite of the types of stock investments stated, there is an investment of stock, which is called as social responsibility investment. According to Klobukowska (2017), social responsibility investment can be defined as a kind of investment approach that considers the environmental and social impacts of investments in financial analysis. For an instance, investors who choose socially responsible investing will mainly favor the investments that contribute to positive environmental and social impacts like environmental-friendly companies and will avoid investing in companies which are contributing to negative environmental and social impacts such as creating pollutions or selling any addictive substances.

Due to the emerging environmental issues, social responsibility investment is now becoming a more famous trend in stock market, which includes international stock market and domestic stock market. In international market, American market has experienced a positive growth despite of the financial crisis. However, for Southern Europe, the market for social responsibility investment is small and limited and for Austria, the market is still in the development phase. Looking into the case in the Malaysia domestic market, Malaysia is now becoming the largest social responsibility investment market in Asia, except Japan. According to Khairini (2017), in Asia, Malaysia is considered as the largest social responsibility investment market because it had occupied 30% of the Asia market, excluding Japan. In Malaysia, social responsibility investment is having a similar characteristic with Islamic Finance. Social responsibility investment framework in Malaysia is based on the shariah-compliant financial products such as Sukuk which

was formulated by the Securities Commission Malaysia in 2014. Green Sukuk is considered as socially responsible investment in Malaysia because it is climate-friendly investment and it provides high level of certainty because the funds will be projected to finance green projects only (Worldbank, 2018). According to Lim (2018), sukuk issuance among Islamic financial institutions in Malaysia will grow 10% to 13% year-on-year in 2018 since the growth of Sukuk in 2017 was having a positive growth of 17% which was amounted to US$100 billion.

As mentioned, social responsibility investment has increased gradually in Malaysia. For the types of investor, there are two types of investor who are the participants of stock market in Malaysia, which are retail and institutional investors. Institutional investors are acting behalf on an organization, such as commercial banks, mutual funds, investment banks and others to invest. As they have a sufficient capital to invest, thus they are able to move a number of shares in the market and cause a drastic change in the stock market. In contrast, retail investor is an individual investor who usually invests through a broker or an agent. As compared to institutional investor, the capital is lesser and their purpose of purchasing stocks is for own account. In the study, the main focus is on the retail investors for social responsibility investment in stock market. The reason of choosing the retail investors as target population is because more and more retail investors are showing much solicitude for the environment, social and governance in making their investment decisions (Ho, 2018).

There is an issue happening in the sector of social responsibility investment in Malaysia. In 2011, Securities Commission Malaysia had launched Capital Masterplan 2 (CMP 2) in order to transform the capital market of Malaysia in the coming next ten years (Tee, 2011). As a strategy to work in line with the CMP 2, Securities Commission Malaysia had come out with a Sustainable and Responsible Investment (SRI) framework to promote the financing of socially responsible investment in 2014 (Securities Commission, 2014). Until now, Securities Commission Malaysia is still looking for ways to enhance the growth of social responsibility investment. According to Lidiana (2017), Malaysia is considered as a slow country to touch on social responsibility investment. The knowledge of social responsibility investment is still a new thing for Malaysia. Thus, many efforts

have to be paid out in promoting social responsibility investment in Malaysia in order to achieve the goals of CMP 2.

1.2 Research Problem

There are various studies about SRI had been carried out in Malaysia. For example, Chowdhury and Masih (2015) investigated the difference between performance of SRI and Shariah-compliant investment. Besides, Ahmad and Seet (2010) studied the practice of SRI among SME entrepreneurs in Malaysia. However, there are few studies investigated the variables that influence investor's intention to invest in SRI in Malaysia.

Based on the research conducted by Boey, Goh and Ramasamy (2015), they used environmental concern, PCE and attitudes as their independent variables that affecting willingness of investor to invest in environmentally-friendly firm. The authors investigated 80 respondents who are from the investment firms that based in Melaka, Malaysia. Their result shows that these three independent variables did significantly affect the investor's willingness to invest in environmentally friendly firm. Besides, Adam and Shauki (2014) used attitude, perceived behavioural control, and subjective norm to study investor's decision towards SRI. The authors retrieved data from fund managers such as financial planners and brokers that registered for Industry Transformation Initiative (ITI) course. Their result found that these three variables did significantly affect investor's behaviour toward SRI.

However, some limitation was found from the study of Boey, Goh and Ramassamy (2015). Firstly, their sample size is small. The authors used only 80 respondents as sample and focus in Melaka only. Since the sample size is too small, then the problem of inaccuracy may exist. Thus, to prevent from the particular problem, larger sample size is more appropriate to increase the accuracy. Next, both past studies only focus on investors' own intentions toward environment and without taking the realistic factor into consideration such as financial return from SRI. The independent variables used were only consider the degree of investors tend to

protect the environment, but the main purpose of investors to enter the market is to earn profit. If the financial return of SRI is different from other investment, they may consider about it again and may change their decision. Thus, realistic factor is important when investigating the intention of investor to invest.

According to Agyapong and Ewusi (2017), return on investment is the prior interest for the investor. Some investors only consider return from investment regardless SRI or conventional investment. Thus, they stated that if return of SRI is high, it could attract those investors to invest in SRI. Vyvyan and Brimble (2007) also stated that, during investment decision making, financial return is the most influential factor. Moreover, Adam and Shauki (2014), which investigated about the SRI in Malaysia, also advised future research to investigate the effect of profit, because dilemma exist if SRI fund does not perform better than normal fund, so investors has to make choices between profit and social responsibility.

There are also few researchers investigated about the factors that will affect willingness to purchase environmental care product. The most commonly used independent variables are environmental concern (Bouscassea et al., 2018; Ozsoy & Avcilar, 2016; Vyvyan, Ng & Brimble, 2007) and Perceived Consumer Effectiveness (PCE) (Nilsson, 2007; Tan, 2011). However, according to Merton and Thakor (2015), customer behaviour cannot represent investor behaviour. Thus, research that focus on investor is needed to better understand investor's SRI behaviour. Besides, the researchers found that attitude toward SRI plays an important role in determining whether investor will choose or avoid investing in environmentally friendly firm (Laroche, Bergeron & Forleo, 2001; Williams, 2007).

In short, since past studies in Malaysia failed to address the influential of return towards investor's intention to invest in SRI, thus return is included as one of the variables in this research. This is because return may affect the investor's decision-making. Lastly, Nilsson, Nordvall and Isberg (2010) suggested further research to get clearer picture on factors that influence investors to invest in SRI instead of information searching process of SRI. Thus, this study is aimed to investigate the

factors that affect the investors' intention to invest in SRI through variables of environmental concern, PCE, attitude and return.

1.3 Research Question

1.3.1 General Research Question

What are the factors that may affect investor's intention to invest in social responsibility investment?

1.3.2 Specific Research Question

i. Does environmental concern significantly affect investor's intention to invest in social responsibility investment?
ii. Does perceived consumer effectiveness significantly affect investor's intention to invest in social responsibility investment?
iii. Does attitude towards social responsibility investment significantly affect intention to invest in social responsibility investment?
iv. Does return significantly affect investor's intention to invest in social responsibility investment?

1.4 Research Objective

1.4.1 General Research Objective

The objective to conduct this study is to investigate the factors that affect investor's intention to invest in social responsibility investment.

1.4.2 Specific Research Objective

i. To study the influence of environmental concern on investor's intention to invest in social responsibility investment.
ii. To study the influence of perceived consumer effectiveness on investor's intention to invest in social responsibility investment.
iii. To study the influence of attitude towards social responsibility investment on investor's intention to invest in social responsibility investment.
iv. To study the influence of return on investor's intention to invest in social responsibility investment.

1.5 Significance of the Study

The research project attempts to extend previous researches and explores the factors that influence the investor's intention to invest in the SRI. It is significant for this research to investigate the intention of Malaysian to invest in SRI and the factors that driven them to choose SRI compared to conventional shares.

This research is proposed that the environmental concern, perceived consumer effectiveness, attitudes and the return on social responsibility investment are the significant factors that influence the investor's intention on the SRI. This study may also focus on the differences between the demographic characteristics of investor and their attitudes toward the social responsibility investment. By doing this study, there will be clearer on the factor that affect the investor's intention towards SRI and the probability of investor to engage in the SRI. The result of this study may contribute to numerous parties such as managers, policymakers, investors and companies.

In the view of managers, to distinguish and investigate the investor's intention and their behaviour on investing is very crucial. This study is useful to provide a guideline for manager to better understand the factors that affect the investor's

intention to invest in SRI compared to conventional investment. By studying this research, the managers can have a better picture on the factors that affect the investor to invest in SRI. Thus, it enables the manager to adapt and formulate the best services to different investors with different intentions towards SRI. Glac (2009) saying that, the manager will be more confident to engage in the SRI when there is a large proportion of investor who are concern and willing to invest in the SRI. Through this study, the managers can involve in social responsibility program by knowing the intention of investor on SRI and thus, behave on the best interest of their investors and shareholders.

In addition, this study also contributes to investor to gain more understanding on how the other investors perceived on SRI. By knowing the other investor's decision when investing may also affect the investment decision of individual investor as well. Thus, through this study, the investor can understand and know the current trend of SRI in Malaysia. This information are useful for the individual investors to further analyse and enhance their investment decision and portfolio.

Moreover, this research provide a better picture for fund or investment companies on why the investor will choose to invest in SRI rather than conventional investment. The companies may know the important factors that influence the investor to be invest in SRI and what is the main concern for investors before they invest in a company. Thus, this information are useful for the companies to launch a new social responsibility fund or green financing product that is suitable to the investor and it also enable the companies to attempt to change their business activities and operation in order to attract more investors.

Lastly, this study is also important for policy marker because by investigating on this topic, the policy maker can know exactly the investor's intention and their action on the SRI. The result can provide the information as a reference to the policy maker to establish programs or policies that enhance the investor intention on investing in the SRI.

1.6 Conclusion

This chapter summarized the social responsibility investment and the factors that affect the investor's intention to invest in SRI. Besides, this chapter indicated the research background, problem statement, research objective and research question. At the meantime, this chapter also covered the significant of study.

CHAPTER 2: LITERATURE REVIEW

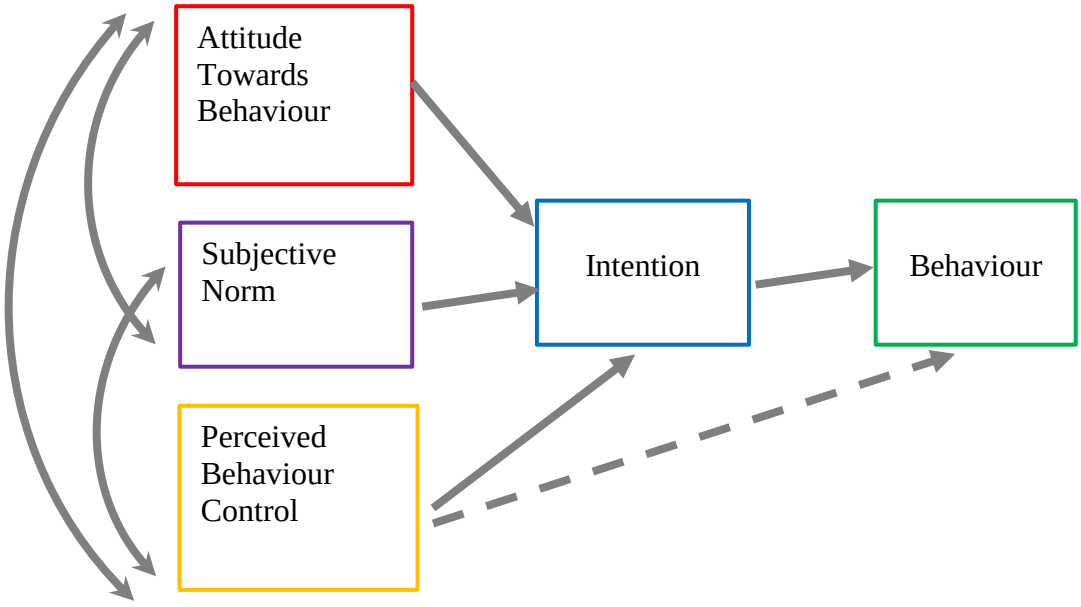
2.0 Introduction

This chapter includes relevant theoretical model, literature review and hypotheses development between dependent variable and independent variables. Moreover, a conceptual framework is justified in this research.

2.1 Underlying Theories

2.1.1 Theory of Planned Behaviour (TPB)

Figure 2.1: Model of Theory of Planned Behaviour



Source: Ajzen, I. (1991). The theory of planned behaviour. *Organizational Behaviour and Human Decision Processes, 50,* 179-211.

Icek Ajzen developed Theory of Planned Behaviour in 1985. Theory of Planned Behaviour is the improvement to the Theory of Reasoned Action (TRA), which extends the assumption of TRA. TPB helps to explain the motivational factors that influence the intention of an individual to perform a certain behaviour. According to TPB, intention indicates how much effort a person is willing to put in order to engage in a behaviour. In general, the stronger the intention, the more likely a person to perform a behaviour. In TPB model, attitudes toward behaviour, subjective norm and perceived behavioural control are the three main components that influence an individual's intention in performing a behaviour (Ajzen, 1991).

Perceived behavioural control is the most important component in TPB as it differs TPB from TRA. According to TPB, perceived behavioural control can directly influence an individual's behaviour and it can also affect the behaviour indirectly through its impact on intention. In theory, holding the intention constant, perceived behavioural control is more likely to increase the effort of an individual spend in order to successfully complete a series of behaviour. For instance, two individuals also have the equally intention to invest in green funds, however, the person who is confident about this action may be more likely to continue than the one who doubts his/her ability (Ajzen, 1991).

Besides, attitudes and subjective norm have a direct effect to intention of a behaviour. Attitudes toward behaviour refers to the degree of a person's belief on the prospective outcomes of performing the behaviour. For example, when an individual believes that supporting SRI will have positive outcomes, he or she will have a favourable attitude towards SRI. Conversely, if they think that investing in SRI does not have positive outcomes, their attitudes may be unfavourable. Moreover, subjective norm provides the meaning of the social pressure to individual to engage or not to engage in the behaviour.

TPB has been supported by many researches and they applied this theory in their research (Agyapong & Ewusi, 2017; Chitral & Pawan, 2015; Dagher

& Itani, 2014; Ng et al., 2017). The researchers applied TPB in studying the behaviour towards SRI and the result proved the strong impact of TPB on influencing the consumer to support SRI. The same result appeared in the study of Adam and Shauki (2014) who conducted a research to examine how the TPB affect the Malaysia investor's decision in SRI. The result stated that attitude and subjective norm have significant relationship with investor's decision behaviour in SRI but perceived behavioural control does not significant in explaining the relationship.

However, there are still some limitations in the theory in explaining the investor's behaviour towards SRI. TPB model only accounts for behavioural factor but no other external factors such as return and risk of an investment, which is, considered one of the important components for an investor when investing in financial securities.

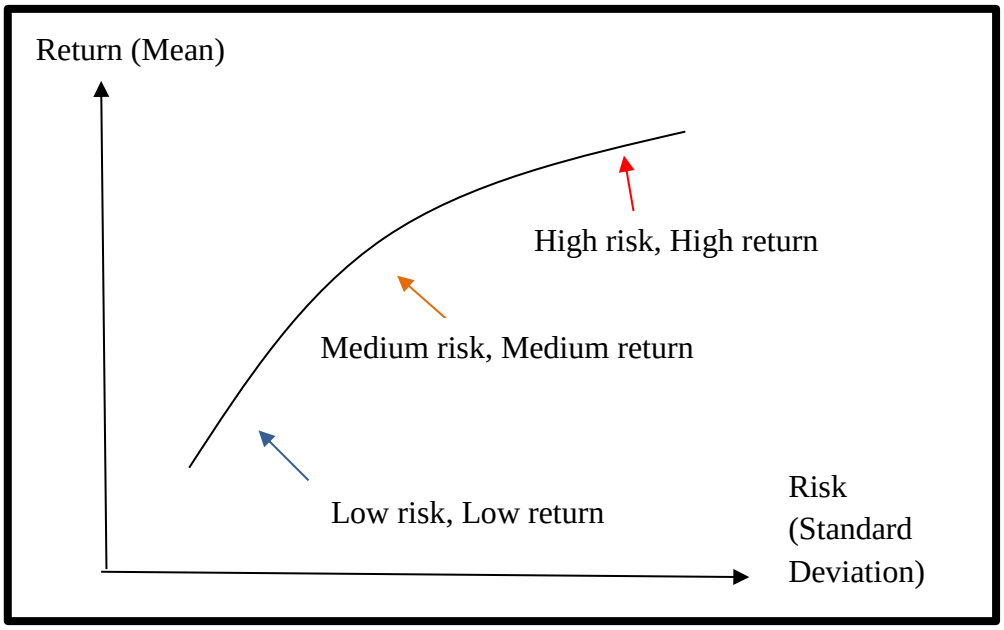
Due to the limitations of the theory of planned behaviour, we decide to add in one new variable to the study, which is the return of social responsibility investment. The reason to add in this new variable is because of the reality of the new modern era. The most important thing that the investors concerned about is the expected return which an investment is going to earn for them. To be more realistic, the financial performance is actually playing a significant role in order to influence their investment decisions as well (Nilson, 2007). This is because mostly, as a rational and logical investor, the main purpose of making investment is to gain return from the investment but not to gain losses.

Nowadays, there are a lot of measures are being used to evaluate return of an investment. Return on investment (ROI) is a common measure of profitability of an investment. Return on investment is a measure which is used to compute the benefits gained by the investors in relative to the investment costs as well (Zamfir, Manea, & Ionescu, 2016). Besides, Hassani and Nabizadeh (2017) stated that expected return is also an accurate measure which is frequently used by the investors in order to predict the return of an investment based on its historical outcomes. Expected return

can compute by multiplying the potential outcomes of an investment by the probabilities of occurring. Looking at the current world, money has become a necessity in everyone's life. Thus, regardless of the attitudes, norms and the behavioural control, financial factor which is return of social responsibility investment is suggested to be added into the model in order to have a clearer picture to show the factors which lead the investors to invest in social responsibility investment.

2.1.2 Modern Portfolio Theory (MPT)

Figure 2.2 Model of Modern Portfolio Theory



Source: Kierkegaard, K., Lejon, C., & Persson, J. (2006). Practical application of modern portfolio theory. (Bachelor's thesis, Jonkoping International Business School). Retrieved from http://www.diva-portal.org/smash/get/diva2:4384/fulltext01.pdf

The financial factor which is being added into the model as a new variable can be supported by Modern Portfolio Theory (MPT). Harry Markowitz developed the theory in 1991 and it is the improvement of traditional investment models. Modern Portfolio Theory can be called as mean-

variance analysis also because the investment can be analysed by mean, which represents return, and variance represents risk.

According to the study of Omisore, Munirat and Nwufo (2012), Modern Portfolio Theory is an investment theory which aims to maximize the expected gain of a portfolio at a certain level of portfolio risk or in the other words to minimize the risk given a certain level of expected return by selecting appropriate assets to be included in the portfolio. Furthermore, Modern Portfolio Theory has successfully transformed the area of investment management by allowing the management and investors to measure the risk and expected return of an investment portfolio (James & Frank, 2001). Moreover, Kierkegaard, Lejon and Persson (2006) stated that Modern Portfolio Theory holds that by diversifying assets, it may increase returns at a given extent of exposure or at least provide the same results at a reduced risk level. Besides, Modern Portfolio Theory also states by diversification which is investing more than one stock, the investor is able to understand the advantages of diversification and in order to reduce the volatility of the portfolio. Consequently, it is possible to come out with an efficient frontier of an optimal portfolio. Efficient frontier is a plotted graph which consists a series of portfolio which provides the greatest expected return with a level of risk. According to the efficient frontier, there are two types of portfolio which can be called as sub-optimal portfolio, which means that the portfolios are not able to provide enough return for the given level of risk and the second type is having a higher level of risk for a certain rate of return. Refer to the figure 2.2, a portfolio above the curve line is impossible to achieve, whereas a portfolio below the curve is considered as an inefficient investment. The portfolio which is lying on the curve is an optimal portfolio which is considered as an efficient portfolio. Therefore, to investigate whether the return is significant or not, we can apply this theory into our study in order to comprehend the purpose of investors in making social responsibility investment.

In addition, according to the research of Riedl and Smeets (2017), looking at the financial side, the investors may confident towards risk-return

expectations for social responsibility investment or they may be wish to diversify their portfolio risk. Not only this, we also have the curiosity that whether the investors are willing to invest in social responsibility investment regardless the return. Thus, the research is hoping to investigate the relationship between return and willingness of investors to invest in social responsibility investment.

2.2 Review of the Literatures

2.2.1 Dependent Variable

2.2.1.1 Investor's Intention to Invest in Social Responsibility Investment

According to Berry and Junkus (2012), there are few studies and survey had carried out to solve the question on what constitutes social responsibility investment and the intention of investor on social responsibility investment. These researchers studied on the investors' intentions who had already engaged themselves in social responsibility investment funds.

Social Investment Forum (2009) explained Social Responsibility Investment (SRI) as a financial investment process that considered of social, environmental effect on corporate governance, community investment and shareholder activism. Berry and Junkus (2012) stated that the companies having investment in SRI either through direct equity investments or through managed funds to filter out investments associated with the social problem. Few examples for social problems are pollution, child labour, gambling and tobacco. According to Pan and Mardfin (2001), social responsibility investment could be one of the investment method in screening stocks for social or environmental aspect instead of financial

performance. Hence, socially responsible investor could be refrained from supporting and purchasing in companies, which may harm investor's social values or abstain from those already owned. This process is so-called divesting.

According to Pan and Mardfin (2001), social responsibility investment is a way for one to invest his or her assets and consider the aspects of environmental, social or ethical apart from financial returns in making investment decision. The concept of social responsibility investment could be termed as social investment, social awareness investment, ethical investment, mission-based investment and double-bottom line investment.

According to Derwall, Koedijk and Horst (2010), SRI is an investment determined by personal and social values rather than using financial aspect in making decisions for investment. Moreover, according to Lewis (2001), investors are able to accept a 20% loss on returns if only his or her investment is ethical. A socially responsible investor will go for non-profit investment products and refrain from violating the social norms (Derwall, Koedijk & Horst, 2010).

Research by (Dilla, Janvrin, Perkins, & Raschke, 2013) explained that there are two investors' intentions in the decision to choose SRI. The first view is that some investors may take social and environmental performance into consideration rather than the company's financial performance. According to McLachlan and Gardner (2004), this shows that investors more emphasize on social benefit instead of maximizing stockholder return. In other words, investors focus more in promoting social and environmental concern than maximizing shareholder wealth. Furthermore, second investor view is the companies should be more concern shareholders than society and vice versa (Dilla et al., 2013). This view of opposed to the first view that concern about the social and environmental promotion as well as take outside stakeholders' interest into consideration, as it focus more on maximize on both firm value and shareholder wealth. The degree of a company' engagement in corporate social responsible (CSR) activities

reflects that management emphasizes more or lesser on shareholders compared to outside stakeholder interests. In conclusion, there are two reasons for investors with strong pro-social attitude to select SRI. First, they perceive SRI as a platform in promoting social and environmental concerns. Second reason would be an organisation, which emphasizes on broader stakeholder interests could be more successful than in maximizing shareholder wealth.

According to Jansson (2011), there are two types of investors: institutional investors and private investor. Institutional investors include banks, insurance companies, pensions, hedge funds, real estate investment trusts (REITs), investment advisors, endowments, and mutual funds. Private investors could be ordinary citizens who use his or her private money to make investment in particular stocks directly through stock market; indirect way by investing on the stock market through retail funds.

However, Gajdosova (2011) found that one of the significant target groups for SRI is institutional investor, which is pension funds that run privately or publicly. This is due to this type of investor group can dispose a large amount of money while can influence SRI globally. Moreover, the international organization such as organisation for economic cooperation and development (OECD) acted to raise awareness globally. In addition, international organization does provide loan. Furthermore, foundations, charities and religious group tend to act as receiver for corporation's corporate social responsibility investment. Meanwhile, they can greatly influence on decision of private investors. Private investors or also known as individual investors normally will go for mutual or investment fund. As a result, it had caused growth in SRI development. Initiatives on SRI done by government lead to better understanding among the private investors. In addition, they may implement in SRI practices as well.

There are issues or problems including the social responsibility as criteria in investment process. Berry and Junkus (2013) found that there is no fundamental for financial framework to link between social responsibility

marginal and investment's performance in theoretical. Moreover, there is none of the theoretical model to determine the appropriate value of social responsibility or explain the favourable trade-off between social responsibility and other investment criteria. Investment criteria here referred to risk and return. Hence, SRI depends on the finance theory of the common effectiveness market framework for decision in an attractiveness investment. On the other hand, it is difficult in applying SR criteria. There are two methods for decision: exclusionary or inclusionary social responsibility investment filter. By using the exclusionary method, one will select the portfolio investment by filtering out particular companies based on their products or the corporate behaviour that might harmful to social and destroy one's social norm. Moreover, the method for inclusion is harder to achieve, as there are investment's weight adjustment in a company based on company's socially responsible behaviour. By using inclusion, SRI investors could give ratings to a firm that has reacted positively in SRI. It showed higher degree of subjectivity in this method as well. By examining each type of business activity, investors could rate corporation behaviour based on importance and positiveness of activities carried out by firm. However, there are difficulties in observing and quantifying for a corporation's behaviour. Hence, exclusion approach is suggested and is often used.

In a nutshell, investor's intention toward SRIs could be one of the important elements in our life. Investors have a strong belief to invest in the companies that are engaging themselves in corporate social responsibility. Hence, it refrained the investors from supporting what takes up in violating the social norms but to invest in social responsibility products.

2.2.2 Independent Variables

2.2.2.1 Environmental Concern

Environmental concern generally means a person's consciousness about the harm brought towards environment by human activities combined with a readiness to conserve nature. In other words, if a person is very aware about environmental issues, at the same time feeling worried about them and is willing to make an effort in protecting the environment, they are considered as having a high environmental concern (Bouscassea, Jolyb & Bonnela, 2018). A measure of environmental concern can help to assess a person's awareness and attitude towards environmental protection. For instance, it indicates the willingness of an individual to take part in environmental friendly activities such as recycling, buying green products or supporting green technology (Boey et al., 2015).

Vyvyan et al. (2007) studied that how the environmental activism affects the investors' attitudes towards SRI standards and their willingness to invest in the eco-friendly companies. In this study, 2,000 samples were collected from the two large institutions which are located in Queensland, Australia. Based on the survey findings, it found that the high level of investor's environmental concern contributed to a high degree of investor's intention in SRI. This means that those who emphasize the environmental issues are more focused on investment characteristics related to environment than those who do not care. In fact, an investor who cares about the environment issue will be more likely to support the environmental-friendly companies by buying the stocks of the companies.

Kim and Choi (2005) carried out a study to find out the effect of environmental concern on environmental buying behaviour. A total of 304 samples were gathered from students at Midwestern University, ranging in age from 18 to 29 years old. According to the results, it is found that green buying decision is directly and positively affected by environmental concern. This suggests that those who are strongly concerned about the environment are more likely to purchase the eco-friendly products. Therefore, these consumers are more willing to invest in SRI. In addition, Owen and Qian (2008) stated that people with high environmental concern is more willing to consider social responsibility. The authors further

mentioned that consumers who buy the eco-friendly products appear to shift their environmental concern to investment decisions.

Moreover, Ozsoy and Avcilar (2016) studied the impact of environmental concern and PCE on the consumer's intention towards green brand. They conducted this study by distributing 650 sets of surveys to their target respondents which are university students in Turkey using face-to-face interviews method. According to survey results of Ozsoy and Avcilar (2016), they determined that there is a significant and positive relationship between environmental concern and the consumer's intention towards green brand. Additionally, protecting the environment is a key task for management nowadays as it can create environment-friendly image for the company and it is crucial in leading a business towards success. This is because companies which involved in socially responsible investing usually attract investors who are having strong environmental concerns.

Another research, Mobrezi and Khoshtinat (2016) studied on the determinants that influence the willingness towards green purchase of female consumer. A survey questionnaire is carried out to measure the personal concerns toward the environment by studying the level of individual involvement in the environmental issues which is associated with them. The researchers had distributed questionnaires to 310 women and found that there is positive relationship between environmental concerns and consumer's willingness to purchase green products. The results concluded that the female consumers are more willing to support green product with their high environmental concern.

However, these findings were argued by Muhammad and Kakakhel (2017) who conducted a research to determine the factors that influence the green purchase intention. In this research, convenience sampling method is used to collect data from four different cities in Pakistan and a total of 800 surveys were distributed by the researchers. The result found that there is no significant relationship between environmental concern and consumer's green purchase intention. Muhammad and Kakakhel (2017) stated that the

reason for the insignificant relationship is possibly due to people's lack of awareness towards the environment issues in Pakistan. This is because Pakistan is a developing country where the concept of environmental care was neglected by its people as well as education system.

2.2.2.2 Perceived Consumer Effectiveness (PCE)

PCE is the concept that the consumers who trust on their behaviour can influence the outcomes of the issue are more likely to behave on the social problem (Ellen et al., 1991). Besides, Nilsson (2007) stated that PCE is the degree of consumer aware that their investment in social responsibility investment (SRI) can benefit the environmental. In other word, an individual's decision in buying and investing can be affected by how the individual perceive their effort can mitigate the environmental issue.

Nilsson (2007) investigated how the social, ethical and environmental (SEE) factor and "profit- oriented" factor to impact the consumer's intention in SRI-based mutual fund. In his research, the questionnaires were send to 2200 investors in Sweden, 2000 of them invest in at least one SRI product and 200 of the investors do not hold any SRI product. The results indicated that PCE is positively impact the investor's willingness to invest in SRI and it also claimed that PCE do affect the consumer's decision in investment but not just only the consumer's purchases.

Besides, this point of view is supported by Boey et al. (2015). A survey questionnaire was carried out to examine the influence of PCE on investors' response to invest in firms which are conducting the environmental friendly activities. Environmental concern is used as the moderating variable to the PCE. In this study, the response of 80 respondents from numerous investment companies in Melaka were collected. Based on the result of Boey et al. (2015), an individual with high PCE may support the firm by the act of investing in the shares of the environmental- friendly firm.

In addition, there are various studies have examined the impact of PCE on the consumer green purchasing behaviour. Kim and Choi (2005) examined the determinants that influence the consumers' willingness to buy green products. They carried out a research by distributing a self-administered survey to 304 undergraduate students in Midwestern University. The factors that they used in their research are collectivism, environmental concern and PCE. The research claimed that consumer with high PCE may have a strong belief that their action can make a difference in improving the environmental issue. Thus, PCE is significantly affect consumer's green buying decision. Similarly, Dagher and Itani (2014) studied on the factors that affect the consumer's green purchasing behaviours in Lebanese. Total 135 online questionnaires were distributed to random consumers and the finding concluded that PCE is the main factor that strongly affect consumer's intention in environmental behaviour. The research of Dagher and Itani (2014) proved that PCE is an important factor in affecting consumer or investor's intention to support the product or investment that can deliver a favourable outcome to the environment and social.

Ellen et al. (1991) who conducted a telephone survey had examined the correlation between PCE and environmental concern and whether PCE do affect the environmental behaviour. Based on the finding, the PCE is different from environmental concern and it is unique predictor for consumer's environmental- friendly behaviour. In addition, the research of Ellen et al. (1991) showed the PCE is significant linked to the consumer's intention in buying eco-friendly products. In short, individuals who have a higher level of PCE may be confident that they have the ability to affect the social and environment issue by buying eco-friendly products and this behaviour may affect their intention to engage in social responsibility activities. Their result is also similar to the research done by Tan (2011) who confirmed that an individual would not spend their money and effort in supporting the green product if they have low PCE. It is because an individual with low PCE may perceived the action of supporting the social responsibility activities would not resolve the environmental and social problem because they do not believe one person can make a difference.

A study conducted by Ozsoy and Avcilar (2016) to examine the how do the PCE and environmental concern influence the consumer's intention towards green brand. A survey is conducted to 650 university students in Turkey through face-to-face interviews method. As shown in the result, it is found that PCE has a significant positive affect the consumer's behaviour to act on the behalf of environment.

In short, PCE is important in influencing an individual to act environmental-friendly. Individuals are more willingness to do the action that may benefit the environment and support the social responsibility investment if they believe that their single effort can make a big change to the environment. Thus, PCE can be one of the variables in determining the investor's intention to invest in social responsibility investment.

2.2.2.3 Attitude towards Social Responsibility Investment

Attitude is an individual's character to response with a certain extent of favourableness to an object, behaviour, person, organization or event (Ajzen, 1993). In other words, attitude can be said that it is a major factor which is able to influence an individual's choice of actions and responses to stimuli.

William (2007) had carried out a survey questionnaire in order to analyse the investors' choice in choosing social responsibility investment across five countries which include Australia, Germany, United Kingdom, United States and Canada. Social performance and attitudinal variables are being investigated in the research. In the study, the results show the attitude is significantly affect the ethical investment decision. The results of William (2007) stated that respondents would have more tendency to make their investment decisions by identifying the ethical standards of a company. Moreover, the study also states that majority of investors would consider the social and environmental behaviour of a company before investing into the company. From the study, it can be explained that some of the socially

responsible investors choose ethical investment are mainly due to their personal ethics. Thus, the results in William (2007) showed that general attitude of investor toward the social aims of a company is one of the factors which drives them to invest in social responsibility investment.

On the other hand, Wins and Zwergel (2016) had conducted an online questionnaire to differentiate the factors of driving the decisions for the three types of mutual fund investors in German, which are conventional investors, sustainable investors, and the investors who are either generally interested or those that are not interested at all to social responsibility investment. One of the motives that drive socially responsible investors is being tested, which is pro-social attitudes (PSA). In the study, there is an obvious indication which shows that pro-social attitudes has a positive relationship with the consumer intention on social responsibility investment. The correlation of pro-social attitudes and the pro-social consumer behaviour are clearly showed. This can be proved by a situation, which the socially responsible investors will tend to engage in voluntary activities more than conventional investors. In the study, the findings support the positive relationship between attitude and decision in making social responsibility investment as the consumers with higher pro-social attitudes will have more willingness to put greater amounts of their assets into socially responsible funds.

Other than that, a study was done by Vyvyan et al. (2007) to examine the green attitudes of socially responsible investors in Australia. To conduct the study, a large sample of 2,000 people are being surveyed and the results show that there is a significant difference between the attitude of socially responsible investors and non-socially responsible investors. According to the survey results, the investors who are environmental attitudes are more concerned towards the environmental contributes of companies rather than the financial performance. Oppositely, for non-environmentalists, this group of investors will more focus on the financial performance of companies and put the environmental attributes aside. It can be summarized as attitude is having a positive significant relationship with their intentions on social responsibility investment decisions. However, when the findings

are applied into the real practice when making investment decisions, Vyvyan et al. (2007) found out that although there is a significant relationship between green attitudes and social responsibility investment decisions, for those environmentalists sometimes are not acting on their beliefs in their investment decisions.

Another researcher, Adam and Shauki (2014) had examined the behavioural framework of socially responsible investors in Malaysia. The research framework of this study is placing attitudes, subjective norms and perceived behavioural control as the independent variables in order to determine the intention of investors towards social responsibility investment. For this study, a structured questionnaire was being conducted and 996 samples were being selected. According to the results, attitudes is having a significant relationship with the intention to invest in social responsibility investment. Among the results, attitude is the most important determinant to influence the investor's intention to invest. Besides, Adam and Shauki (2014) stated that the subjective norm is influencing the attitudes of an investor as the study shows that there is a significant causal relationship between them. Thus, it can be said that the favourableness of the investors' attitude is affected by their important social group in their lives, such as friends, families, or financial advisors.

Furthermore, Nilsson (2007) had conducted a research to investigate the impact of pro-social attitudes and financial performance on social responsibility investment behaviour. A total sample of 2,200 mutual fund investors, who are 2,000 investors with socially responsible products and 200 investors without social responsibility products are being surveyed. In the study, pro-social attitudes, trust and perceived consumer effectiveness are categorized in social, environmental and ethical factors. After carrying out the survey, the results stated that the factor of pro-social attitudes is showing a positive trend with the social responsibility investment decisions. In the others, investors who are having pro-social attitudes towards the matters of socially responsible investment are more willing to invest in social responsibility investment profiled mutual funds. They will more care

about whether the company is acting in accordance with their values or not. However, as stated in the study of Nilsson (2007), although the green attitudes among the investors have been increasing, there are still a large number of investors who are not investing in social responsibility investment.

A study was conducted by Jansson and Biel (2014) in order to investigate the drivers which may affect the investment decisions to choose social responsibility investment. A survey is being done among 58 participants who are from 17 different investment firms in Swedish. Jansson and Biel (2014) stated that attitudes and norms are having significant positive relationship with the intention to invest in social responsibility investment, especially for attitude, it has a strong association with the intention. According to the study, although the results show that there is a significant relationship between attitude and the decision making in social responsibility investment, there is no support for this results thus the study states that the positive attitudes which are showed by the socially responsible investors are not value-expressive.

On the contrary, Dilla et al. (2013) had conducted a study regarding to the linkage investors' environmental attitudes towards the decision on social responsibility investment. A survey among 195 non-professional investors was being carried out. The five dimensions of NEP (New Ecological Paradigm) scale are tested in the study and there are dimensions which are related to attitudes. Dilla et al. (2013) stated that there is a significant and positive relationship between attitudes of anti-anthropocentrism and the attitudes of environmental-friendly investment but attitudes of anti-exceptionalism are negatively related with the socially responsible investment. The reason for the negative relationship may because the people with anti-exceptionalism claim that social responsibility investment is not an appropriate way to solve the environmental problems or they do not have confidence in that corporate social responsibility disclosures are trustworthy indicators to measure the level of the companies' socially responsible activities.

Laroche et al. (2001) had carried out a study which was targeting to examine the factors that lead to willingness of consumers to spend more on green products. According to study of Laroche et al. (2001), attitudes are good predictor of environmental-friendly behaviour, which is consistent with the other studies as well. Thus, attitudes are having a positive fashion with the consumers' willingness to spend more for green products. On the other hand, Tan and Lau (2010) also conducted a research to study the connection of attitudes towards environment and eco-friendly products in a private university of Malaysia. According to the research, Tan and Lau argued that there is no significant relationship between attitudes of consumers regards to the environmental protection and their green attitudes, which is inconsistent with the findings of Laroche et al. (2001). It can be meant that although the consumers are having environmentalism, it is not necessary for them to act green on the products. Nevertheless, attitudes on government roles is showing a significant relationship with green attitudes of consumers. It means that the government is acting an important role to influence the people on the green attitudes.

In conclusion, attitude is a significant factor in determining the investors' intention on social responsibility investment.

2.2.2.4 Return

Return, or financial return, means the profit or loss anticipated by investors from their investment, which is deeply depend on how is the changes in value of the investment over time. Nilsson (2007) stated that perception on financial return was probably having important role to make investment decision. Theoretically, return is highly associated with risk, where the higher risk in the investment, the higher return might result from the investment (MacGregor & Slovic, 1999). However, the main reason that motivates investor to invest is to earn more money, in another word, to gain financial return from the investment. Besides, Nilsson (2007) found that there is no significant relationship between perception on risk and

investment decision towards SRI. Thus, this research focus on investigating how perception on return affect investor's intention and investment decision toward SRI.

Research carried out by Diouf, Hebb and Toure (2016) also used return as one of the independent variables to investigate the factors that motivated individual investor's decision on SRI. The authors used 893 samples that were collected from Desjardins and online survey method. The results found that return significantly affect investor's intention, no matter SRI investors or conventional investors. They also indicated that even though a social care investor, they will still concern about the return of SRI fund. Further, those social care investor will also expect to generate more return from SRI portfolio than normal investment portfolio, as they believed SRI portfolios performance will better than traditional portfolios. Nonetheless, the authors unable to differentiate either SRI investors or conventional investors is more concerned for economic motives. However, conflict exist when return for SRI is declining, thus, investors has to make investment decision between objective of profit oriented and social motives.

Riedl and Smeets (2017) conducted a research on the reasons that motivated investors to hold SRI funds. 35,000 investors had been selected for online survey, and there were 8% of conventional investors and 12% of SRI investor responded. From the results of the study, most of the investors are pessimistic on the performance of SRI funds regardless conventional or SRI investors. However, expectation toward the SRI performance from SRI investors still slightly higher than conventional investor. Thus, there is significant difference of return perception between SRI and conventional investors.

Moreover, to investigate effect of financial return on SRI behaviour, 2200 investors were selected by Nilsson (2007) to conduct the survey in Sweden. The results shows that perception of return significantly affect SRI behaviour. The author concluded that significant of perception of return mostly because of SRI investors do also expect socially responsible funds

to perform better than conventional funds. Thus, SRI behaviour is not just giving money for charity, but SRI investor will expect to receive long-term financial return.

Jansson and Biel (2014) studied the psychological factor and financial belief that motivate the adoption of SRI among investors. Total samples of 58 investors who work at investment companies in Sweden are selected to conduct the surveys. The authors divided belief on return into short term and long term. From the results, it concluded that belief on short-term return does not significantly affect SRI intention, but belief on long-term return do. The reason is that the investors believe that company with SRI unable to reward the investors in short term, but the company will be able to compensate the investors in long term.

2.2.3 Demographic Variables

2.2.3.1 Gender

Gender refers to the difference between groups of women and men in terms of socially constructed characteristics, which include norms, roles and others as well. The study of Nilsson (2007) had conducted a questionnaire to determine the impact of different variables on social responsibility investment behaviour, which includes social-demographic variables such as gender. Among the 582 usable questionnaires, the sample consists of different genders which 53% is women and 47% is men. The results of Nilsson (2007) showed that there is a significant difference between gender and socially responsible behaviour. Women are more likely to engage in the socially responsible investment than men as women are having a higher willingness to contribute their money in portfolio of social responsibility investment than men. This is because women seem to have higher consciousness towards environmental problems than men do.

Besides, the study of Olmedo, Torres and Izquierdo (2013) had investigated the opinions of public towards social responsibility investment. The study was being inquired into by conducting survey questionnaire and the final sample consists of 345 respondents. According to the results, gender is having a significant difference in the social responsibility investment decisions, which shows that women are more likely to consider social and environmental aspects than men when doing investment. This is due to female have more environmental concern than male.

Moreover, the research of Junkus and Berry (2010) aimed to determine the demographics profile of socially responsible investor. The results showed that gender is playing an important role in making social responsibility investment decisions. According to the findings, women are more environmental friendly than men.

Moreover, the study of Owen and Qian (2008) had looked into the determinants of the socially responsible decisions. The research had found out that women are the one who are more likely to engage in the social responsibility investment. Especially those who are joining their religious group actively, thinking about the societal impacts when doing purchasing behaviour and more willing to know about the social impacts of the company rather than the financial performance which they are interested in.

Furthermore, Williams (2007) had conducted a large survey among the investors over the five countries. Although in most of the studies, demographic factors such as gender is having an important relationship with socially responsible investment decisions, however, the findings of Williams (2007) stated that gender does not have much impact in making socially responsible investment decisions. In addition, Riedl and Smeets (2017) also carried out a survey questionnaire to know the reasons of holding socially responsible investment. The findings showed that there is no difference between male and female in their pro-social attitudes.

In summary, most of the studies are showing that there is significant difference between gender and social responsibility investment decision and there are also few studies which stated that gender is an insignificant factor.

2.2.3.2 Age

Age refer to the one's length of life. Gupta and Popli (2010) had distributed 250 surveys and found that younger group tends to have green attitudes and to consume eco-friendly products than the elder group. This is because younger people have green attitudes and behaviours than elder group. Riedl and Smeets (2017) supported the finding by stated that age showed statistically significant effect. Meanwhile, they also found that younger investor tend to hold SRI fund rather than older investor as younger people hold university degree.

In addition, Owen and Qian (2008) did a survey on 4,000 investors by mails and found that SRIs are more likely from younger generation as younger people are better educated. The studies of Cheah, Jamali, Johnson and Sung (2011), had figured out that SRI's investors are more likely from young generation. As a result, age and attitudes toward SRI has positive relationship. This is because young generation is more concern on contribution to society. Moreover, Agyapong and Ewusi (2017) had found that young generation tend to have idea on socially responsible investment rather than the old generation as young generation are better educated.

Besides, Cheah et al. (2011) indicated that the younger generation tend to support the SRI compared to the older generation. It is because the younger investors are not only concerned with the shareholder maximization but they prefer to look at the company's action that benefit the society and the bottom line.

Nilsson (2007) had distributed questionnaires to investigate the factors on behaviour of SRI. Pro-social behaviour, firm's financial performance, and

socio-demographic comprised as the factors on SRI behaviour. Hence, he figured out most of the socially responsible investors tend to be older people. This is because older people are more likely to have disposable income than younger one.

In addition, William (2007) carried out survey and distributed among countries which are Canada, Australia, Germany, U.S. and U.K. that have the largest number of shareholders and the highly-developed SRI in their investment industries. William (2007) figured out that there is no evidence of difference in age for SRIs.

In a nutshell, the past studies as mentioned above clearly showed there are positive correlation between age and social responsibility investment.

2.2.3.3 Income Level

Income level indicates one's wealth in term of monetary or return. Nilsson (2007) had carried out a survey to investigate the effect of determinants on SRI behaviour. Nilsson's finding proved that one with socially responsible characteristic is mostly from the higher income level group. This is due to the high- income individual is usually better educated and thus will have the increased awareness towards social issues. Larochen, Bergeron and Barbaro-Forleo (2001) supported the finding of Nilsson (2007) as their study shown that consumers with ecologically conscious are mostly from medium income level or high incomes level group because of their higher educational level and sensitivity to the social problems.

In addition, Escrig, Munoz and Fernandez (2011) and Olmedo, Torres and Izquierdo (2013) had distributed their questionnaires in Spain to examine society's intention of SRI among Spanish investors. These researchers found that socially responsible investors appear to be in middle or higher income. This is due to occupational and educational level.

Agyapong and Ewusi (2017) had found that socially responsible investors tend to be middle or higher income. Owen and Qian (2008) stated that investors with higher income has lowest chance in taking social responsibility into consideration rather than lower income. Besides, the research of Willam (2007) claimed that the investor with higher income level tend to be higher intended to invest in SRI because they are more able to bear the financial cost of an investment.

The research did by Cheah, Jamali, Johnson and Sung (2011), SRIs tend to be lower incomes as lower income group is more likely to promote socially responsible activities. On the other hand, Nilsson (2009) investigated the influence of income level on the intention of investor to invest in SRI. His result stated that there is no difference between the income level group of investor and the intention towards SRI.

As a summary, some of the past studies showed that income level does have significant difference in the social responsibility investment decision while some past studies showed that it may not valid.

2.2.3.4 Education Level

Education refers to the process of learning or acquisition of knowledge from different aspects along the life. Education level can be divided into different stages, which include kindergarten, primary school, secondary school, pre-university, university and apprenticeship. The different stages can be represented by different ages as well.

The study of Nilsson (2007) had included demographic variables as the determinants to be investigated when making social responsibility investment decisions. Nilsson (2007) had constructed a hypothesis, which the better educated investors will contribute greater amount in social responsibility investment in their portfolios. After carrying out the investigation, the results had showed that the hypothesis was accepted as

education is a significant indicator for people to invest in social responsibility investment.

Riedl and Smeets (2017) had carried out a research to identify the reasons for investor to hold socially responsible funds. According to the findings, education level exhibits a significant role to lead investors to invest in social responsibility investment. The results also stated that a person who is having a university degree would have more willingness to engage in social responsibility investment. This is because a person with better education level has the higher probability of investing in social responsibility investment.

Furthermore, in the study of Laroche, Bergeron and Forleo (2001) and Williams (2007), these researchers had proposed a hypothesis that social responsibility investment decisions will increase with the educational attainment. However, the results stated that the education level did not carry an important role when making social responsibility investment decisions. The results of both studies are consistent, which the education level is insignificant.

For the research of Olmedo, Torres and Izquierdo (2013), the study found out that the education level is having an indicative relationship with the social responsibility investment decisions. This is because a person with higher education level will possess more knowledge about social responsibility investment and ethical banking. Moreover, Getzner and Krauter (2004) had carried out an investigation to study the motives of investors to invest in green shares. The educational level in the study can be represented by the information that the person is having or it can be related to the individual income as well. Combining both of the arguments, the findings had showed that the willingness to invest in green shares would rise due to the higher education level. Thus, it is obvious that education level is having a positive relationship with the green behaviour of an investor.

Agyapong and Ewusi (2017) had conducted a survey-based study to explore the intentions of investors regarding to the social responsibility investment. One of the factors to be investigated includes education level. The results had revealed that the awareness level of investor would increase with the education level. According to the results, it can be seen that people with lower education level seldom hear about SRI whereas oppositely, people with higher education level will have knowledge about SRI and thus more willing to invest in SRI.

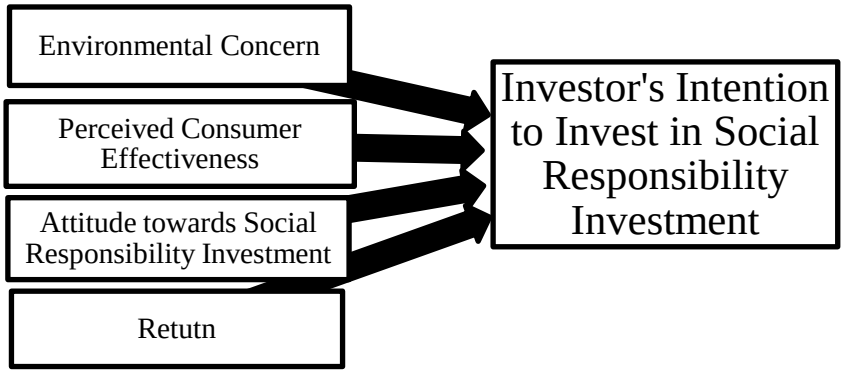
In addition, a study by Cheah et al. (2011) had looked into the demographic information of socially responsible investors. Looking at the findings, education is significantly correlated with the social responsibility investment decisions. This is because well-educated investors will know that socially responsible companies are more profitable than socially irresponsible companies and thus, they will choose wisely to invest in social responsibility investment.

Besides, Escrig, Munoz and Fernandez (2011) had carried out a research by using method of questionnaire in order to study the intention of Spanish's society towards social responsibility investment. After the investigation, the results showed that the level of awareness for social responsibility investment is highly dependent on the education level. As mentioned in the study of Escrig, Munoz and Fernandez (2011), it had stated that highly educated people would bring benefits to a formation of more informational society. It means that a highly educated person will more likely to social responsibility investment.

In a nutshell, among the past studies, most of the findings had found out that education level is playing a significant role in influencing their social responsibility investment decisions due to their higher awareness level.

2.3 Proposed Theoretical/Conceptual Framework

Figure 2.3 Proposed Conceptual Model



Source: Developed for research

According to Boey, Goh and Ramasamy (2015), and Vyvyan and Brimble (2007) stated that environmental concern has significant impact on investor's intention on SRI. As when the investors have high degree of environmental care, they are more willing to invest in SRI, to support those socially responsible firms for saving the environment by improve their technology and reduce pollutant from production.

Besides, Boey, Goh and Ramasamy (2015) also found that Perceived Consumer Effectiveness (PCE) does also significantly affect the willingness of investors to invest in SRI shares. Same goes to the result found by Nilsson (2007), which there is positive relationship between PCE and SRI behaviour.

Based on the research of William (2007) and Wins and Zwergel (2016), attitude will also determine the SRI behaviour, as attitude will reflect favourableness or unfavourableness of something for an individual.

As main objective of investment is to gain more financial return, Diouf, Hebb and Toure (2016) and Riedl and Smeets (2017) proved that even SRI investors will also expect return from SRI shares, but they will not expect high return, as normally the SRI firms are tougher to have well financial performance in short term, as they need those funds for development.

2.4 Hypothesis Development

2.4.1 Independent Variable

2.4.1.1 Environmental Concern

$H1_o$: There is no significant relationship between environmental concern and investor's intention to invest in social responsibility investment.
$H1_1$: There is a significant relationship between environmental concern and investor's intention to invest in social responsibility investment.

Vyvyan et al. (2007) and Kim and Choi (2005) stated that environmental concern is significantly and positively affecting investor's intention to invest in SRI. Therefore, it can be said that when a person has a high level of environmental concern, the person is more likely to invest in SRI.

2.4.1.2 Perceived Consumer Effectiveness

$H2_0$: There is no significant relationship between perceived consumer effectiveness and investor's intention to invest in social responsibility investment.
$H2_1$: There is a significant relationship between perceived consumer effectiveness and investor's intention to invest in social responsibility investment.

Referring to Nilsson (2007), the author stated that PCE is positively affect investor's intention to invest in SRI. Besides, Boey et al. (2015) concluded that PCE is significantly affect the investor's intention to invest in environmental friendly share. Therefore, it can be said that if a person has a high level of PCE, they will more likely to involve in SRI. Hence, they will

support the environmental friendly firms by investing in the companies' share.

2.4.1.3 Attitude towards Social Responsibility Investment

$H3_0$: There is no significant relationship between attitude towards social responsibility investment and investor's intention to invest in social responsibility investment.
$H3_1$: There is a significant relationship between attitude towards social responsibility investment and investor's intention to invest in social responsibility investment.

According to Nilsson (2007), William (2007) and Wins and Zwergel (2016), these researchers concluded that there is a significant positive relationship between attitude towards SRI and investor's intention on SRI. This shows that when a person has high pro-social attitudes, the person will be more willing to invest in SRI. Besides, Jansson and Biel (2014) also found that attitudes and norms are significantly affecting investor's willingness to invest in SRI, the author pointed out that attitude is strongly linked with intention of investors.

2.4.1.4 Return

$H4_0$: There is no significant relationship between return and investor's intention to invest in social responsibility investment.
$H4_1$: There is a significant relationship between return and investor's intention to invest in social responsibility investment.

Diouf, Hebb and Toure (2016) and Nilsson (2007) indicated return as a variable that affect investor's intention to invest in SRI. Based on the studies, return plays an important role in motivating investor to invest in

SRI. In theory, return is strongly linked with risk, which means the higher the return from investment, the higher the risk. However, Nilsson (2007) discovered that there is no significant relationship between perception on risk and investment decision towards SRI. In short, it can be concluded that return is significantly influencing investor's intention on SRI.

2.4.2 Demographic Variables

2.4.2.1 Gender

$H5_0$: There is no significant difference between gender of respondents and investor's intention to invest in social responsibility investment.
$H5_1$: There is a significant difference between gender of respondents and investor's intention to invest in social responsibility investment.

Based on the research of Laroche, Bergeron and Forleo (2001), female tends to have more environmental concern than male. Also, Olmedo, Torres and Izquierdo (2013) pointed out that women are more likely to consider environmental aspects in their investment process than men. Besides, Nilsson (2007) indicated that female will invest greater portion in SRI in their portfolio than male. Additionally, Mobrezi and Khoshtinat (2016) concluded that the intention of female investors are more likely to be influenced by environmental concern than male investor. However, Riedl and Smeets (2017) and Williams (2007) found that there is no significant difference between gender and investor's intention to invest in SRI.

2.4.2.2 Age

$H6_0$: There is no significant difference between age of respondents and investor's intention to invest in social responsibility investment.

$H6_1$: There is a significant difference between age of respondents and investor's intention to invest in social responsibility investment.

Based on the research did by Gupta and Popli (2010), younger group of participants would possess more positive attitude toward social responsibility investment rather than elder group of participants. Moreover, past research did by Riedl and Smeets (2017) stated that people with younger age increased the likelihood of holding social responsibility investment fund. Cheah, Jamali, Johnson and Sung (2011) also stated that socially responsible investors tend to be the younger one. However, Owen and Qian (2008) found that age estimations were not appeared as a consistent and statistically significant way.

2.4.2.3 Income Level

$H7_0$: There is no significant difference between income level and investor's intention to invest in social responsibility investment.
$H7_1$: There is a significant difference between income level and investor's intention to invest in social responsibility investment.

According to Agyapong and Ewusi (2017), socially responsible investors tend to be middle and higher income level. However, Owen and Qian (2008) stated that those people with higher income has lower probabilities in taking social responsibility into their consideration. Moreover, Cheah, Jamali, Johnson and Sung (2011) had found that socially responsible investors tend to be lower income. On the other hand, Nilsson (2007) found out that income did not significantly affect the social responsibility investment behaviour.

2.4.2.4 Education Level

$H8_0$: There is no significant difference between education level and investor's intention to invest in social responsibility investment.
$H8_1$: There is a significant difference between education level and investor's intention to invest in social responsibility investment.

According to Nilsson (2007), education level has a significant effect on investor's intention to invest in SRI. It stated that investors with higher education level tend to have higher intention to invest in SRI. This can be explained that the better-educated investor has more environmental concern. Besides, Riedl and Smeets (2017) mentioned that the higher the investor's education level, the greater the willingness to invest in SRI. However, Laroche, Bergeron and Forleo (2001) and Williams (2007) argued that education level is not an important factor to influence an investor in making SRI decision.

2.5 Conclusion

The relationships between the investor's intention to invest in social responsibility investment and the independent variables had been analyzed in this chapter. Besides, all the studies of the previous researchers were summarized and stated in chapter 2 and the theoretical models were also being illustrated in this chapter. Also, the conceptual framework was summarized in this research to reflect the relationship between the dependent variable and independent variables.

CHAPTER 3: METHODOLOGY

3.0 Introduction

In chapter three, overview of the research methodology will be discussed, which included research design, data collection methods, sampling design, research instrument, constructs measurement data processing and data analysis.

3.1 Research Design

Quantitative research method is employed to investigate how environmental concern, Perceived Consumer Effectiveness (PCE), attitude and return affect investor intention toward SRI. Survey collection approach is applied to gather useful information and data from individual investors. The questionnaire consist of two part, which Section A ask about demographic variables such as gender and races, while Section B asked about dependent and independent variables with five point Likert scale. Respondents only have to answer by circling the appropriate number.

In order to determine the relations between independent variables (environmental concern, PCE, attitude and return) and dependent variable (investor's intention toward SRI), descriptive research is conducted. Descriptive data can be applied on both qualitative and quantitative research design and it allows researchers to get the useful information with reference to proceed for hypothesis testing. Descriptive research normally will involve visual aid such as tablet, graph or chart for easier understanding to the reader.

3.2 Sampling Design

3.2.1 Target Population

The target population in this study is the Malaysians who have investment experience and are 18 years old and above. In 2018, the Malaysian population is estimated at 32.4 million, and citizens who are 18 years old and above would be the targeted population. This is because the requirement for an individual to set up a Central Depository System (CDS) account is to reach age of 18 years (Bursa Malaysia, 2019). Besides, Malaysian contributed RM509.1 billion in local direct investment and anyone who contributed to this amount considered as our target population (Department of Statistic Malaysia, 2018).

3.2.2 Sampling Location

Table 3.1: Top 5 Investment Amount by State in Malaysia

State	**Investment Amount (RM billion)**
Johor	21.9
Penang	10.8
Sarawak	10.5
Selangor	5.6
Melaka	4.7

Source: Malaysian Investment Development Authority (MIDA). *Media Release: Malaysian Investment Performance Report 2017*. Retrieved from http://www.mida.gov.my/home/5844/news/media-release--malaysian-investment-performance-report-2017/

Table 3.1 shown the top five investment gained by states in Malaysia. Johor is the state with the highest recorded investment in 2017 (RM21.9 billion), following by Penang which has total investment of RM10.8 billion, Sarawak with RM10.5 billion investment amount, Selangor (RM5.6 billion) and Melaka with RM4.7 billion. This research mainly focus on peninsular malaysia because more than 70 % of Malaysian population are concentrated in Peninsular malaysia (World Population Review, 2018). Therefore, the top three states with the higher investment amount which are Johor, Penang and Selangor are chosen.

Moreover, this research includes Kuala Lumpur as one of the sampling locations because Kuala Lumpur is the metropolis of Malaysia. Kuala Lumpur is the central of international trading in Malaysia and it is the fastest developing city in Malaysia (Worldatlas, n.d.). On the other hand, Bursa Malaysia is the stock exchange of Malaysia and it is located in Kuala Lumpur (Bursa Malaysia, 2019). Therefore, Kuala Lumpur is chosen as one of the main targeted location to conduct the research.

3.2.3 Sampling Elements

The sampling element is the investors in Malaysia. In addition, the target respondents should above 18 years old and have investment experience either in mutual funds or in stock market because they have the ability and opportunity of being able to invest in social responsibility investment.

3.2.4 Sampling Technique

The population in Malaysia are too large and it is impossible to capture opinion of all Malaysian investors. Therefore, convenience sampling is used, as is not a probability sampling method, instead, it randomly obtains data from a large population that are conveniently accessible (Zikmund,

Babin, Carr & Griffin, n.d.). The sampling element for this research is the investors in Malaysia. Thus, convenience sampling is useful to collect a large number of questionnaire at a lower cost and quickly. In this research, the survey questionnaires are distributed by google form and paper.

3.2.5 Sampling Size

Sample size can be explained as the amount of respondent chosen when conducting a research. In theory, sampling error will be lower if the sample size is larger. In other words, the result of the study will be more accurate if size of the sample is higher.

Table 3.2 Survey Sample Size Table

Survey Sample Size	**Margin of Error (%)**
30	18
40	15
50	14
65	12
75	11
100	10
150	8
200	7
250	6
300	5

Note:∗ Assume confident level of 95%.

Source: *Determine provider-level sample sizes for patient satisfaction surveys.* Retrieved from https://www.mgma.com/resources/resources/quality-patient-experience/determine-provider-level-sample-sizes-for-patient

Based on the table 3.2, if the survey sample size is 30, the margin of error is 18%. When the survey sample size increases to 300, the margin of error dropped to 5%. Therefore, to ensure the accuracy of the result, minimum 300 respondents should be selected. After taking into the consideration of data missing and unqualified respondents, a total number of 500 samples are targeted for this research. Total 250 survey questionnaires are distributed through google form while the remaining 250 are distributed by paper.

3.3 Data Collection Method

3.3.1 Primary Data

Primary data is obtained through questionnaire and online survey. According to Boey, Goh and Ramasamy (2015), primary data allow researchers to assess different opinion of individual investors and it is also a cost-effective tools to collect numerous data within short period of time. The constructed survey questions are referred from the previous study, and distributed to the target population.

3.4 Research Instrument

Questionnaire is the tool that used to record and collect data. The type of questionnaire applied in this research is self- administered questionnaire method. Self-administered questionnaires are specifically designed questionnaires that are filled out by respondents which do not require the intervention of the researchers to

collect data. Therefore, this method has been selected due to its effectiveness and efficiency. Besides, this method is convenient to distribute to a large number of respondents (Lavrakas, 2008). In fact, it helps to get first-hand information that reflect investor's intention on SRI.

3.4.1 Questionnaire Design

Short description of the objective to conduct this research will be explained to respondents on cover page. Next, there are two sections, Section A contain seven questions regarding to the respondent's profile such as gender and age, while Section B included total of twenty-seven questions that required respondent to provide their professional opinion toward the dependent variables (intention to invest in SRI) and independent variables (environmental concern, PCE, attitude toward SRI and return). A short explanation about the meaning of social responsibility investment is provided to ensure the understanding of respondents and 5-point Likert scale is applied in Section B.

3.4.2 Pilot test

Before the complete questionnaires were distributed, a pilot test has been conducted for this research. A total number of 30 questionnaires were distributed to target respondents by using paper and Google form and feedbacks are collected. Referring to Lavrakas (2008), pilot test is a small-scale trial that conducted to find out if there are any issues that need to be resolved before distributing the actual survey to large-scale respondents. It provides the opportunity to fix the questions that are confusing and misleading to participants.

Table 3.3: Reliability Test for Pilot Testing

Construct	No of Construct Item	Cronbach's Alpha
Environmental Concern	5	0.881
Perceived Consumer Effectiveness (PCE)	5	0.872
Attitude toward SRI	7	0.892
Return	5	0.638

Source: Developed for research

Table 3.3 shows the Cronbach's Alpha value for the four independent variables. The Cronbach's Alpha values are ranged among 0.638 to 0.892. Attitude toward SRI has the highest Cronbach's Alpha value (0.892), followed by environmental concern (0.881) and PCE (0.872). The Cronbach's Alpha value for attitude, environment concern and PCE are more than 0.7, which mean that the questionnaire for these three variables are highly reliable. Return gains the lowest Cronbach's Alpha value (0.638). However, it is considered as moderate reliability and is still acceptable. In conclusion, the questionnaire for all independent variables are reliable.

Table 3.4: Respondent Feedback

No	Comment	Action Taken	Justification
1	Islamic investment is similar to social responsibility investment.	Add in a statement that explain SRI more clearly.	Statement is added to let respondents have more understanding on SRI.

No	Comment	Action Taken	Justification
2	Awareness does not lead to action for people nowadays.	No adjustment is made.	This is will be captured and further explained in our study.
3	It would be better to have other language because the range of age is too wide.	No adjustment is made.	We will explain verbally to the respondents who do not understand the questions.

Source: Developed for research

After conducting the pilot questionnaire, several feedbacks are collected from the respondent. The feedbacks are taken as an advice and all the feedbacks are taking into consideration to adjust the actual survey questionnaire.

3.5 Construct Measurement

The independent variables in this study included perceived consumer effectiveness (PCE), attitudes toward SRI, environmental concern and return. The questionnaire includes 25 questions except the demographic profile of the respondents. These 25 questions are constructed to examine all the independent variables. Five-point Likert scale questions, which "1- Strongly disagree", "2-Disagree", "3-Neutral", "4-Agree" and "5-Strongly Agree" are being used to determine how the four independent variables affect the investors' intentions of socially responsible investment.

Table 3.5: Scale for Each Variable

Variable	Question	Adopted from	Scale
Demographic Variable	Gender Races		Nominal Scale
	Age Income Level Education Level		Ordinal scale
Intention to invest in SRI (I)	I1 I2 I3	Ng, Ariffin, Goh & Wahid (2017)	Ordinal Scale
	I4 I5	Kim & Choi (2005)	
Environmental Concern (EC)	EC1 EC2 EC3 EC4	Paco & Raposo (2010)	Ordinal Scale
	EC5	Vyvyan & Brimble (2007)	
Perceived Consumer Effectiveness (PCE)	PCE1 PCE2 PCE3	Nilsson (2007)	Ordinal Scale
	PCE4 PCE5	Nilsson (2007) Kim & Choi (2005)	
Attitude toward SRI (A)	A1 A2 A3	Ng, Ariffin, Goh & Wahid (2017)	Ordinal Scale
	A4 A5	Williams (2007)	
	A6 A7	Nilsson (2007)	

Variable	Question	Adopted from	Scale
Return (R)	R1 R2 R3 R4 R5	Jansson & Biel (2014)	Ordinal Scale

Source: Developed for research

3.5.1 Scale of Measurement

According to Stevens (1946), there are four types of scale of measurement, which are nominal scale, ordinal scale, interval scale and ratio scale. Steven (1946) had ordered nominal scale as the weakest and ratio scale as the strongest.

3.5.1.1 Nominal Scale

According to the study of Forys and Gaca (2016), nominal scale is the first level of measurement scale, which is used for labelling variables and it does not carry any quantitative value but reflects the differences in qualitative data. Nominal scale of measurement is usually used for classification purpose. Usually, gender, income level, education level and others categorical variables are using nominal scale of measurement. For instance, we can classify gender into two different groups which are male and female. Thus, nominal scale of measurement can be called as categorical variables also because it helps in categorizing the groups.

3.5.1.2 Ordinal Scale

Ordinal scale is the second level of measurement which ranks the observations. According to the study of Chris (2006), the mutual exclusivity and exhaustiveness are also being applied to ordinal scale of measurement. However, ordinal scale plays a role more than nominal scale which it represents not only category but also rankings. Likert scale is a common method to represent ordinal data (Mary, 2003). In the ordinal scale of measurement, we can know more about the magnitude of the variables which are being tested. According to Steven (1946), ordinal scale of measurement can be used to determine greater or lesser of a variable. Yet, there is a weak point of ordinal scale which is stated by Mary (2003). Ordinal scale of measurement is lacking of the concept of equal intervals as it is only representing categories, magnitude of variables, but it does not contain any equal intervals.

3.5.1.3 Interval Scale

Interval scale is the higher level of scale of measurement to overcome the shortcoming of ordinal scale and nominal scale. Chris (2006) had mentioned that the key contrast interval scale with other scales of measurement is that equal distances between numbers on the interval scale represent equal differences in the underlying dimension. The difference between values in interval scale is meaningful. Almost all of the usual statistical measures are applicable for interval scale, because interval scale does not contain an absolute zero value.

Mean, standard deviation, addition and subtraction can be done in the interval data. Besides, data dispersion can be measured by the calculation of range among the data. Nevertheless, according to the study of Mary (2003), some of the mathematical manipulation cannot be applied to interval scale but only in ratio scale.

3.6 Data Analysis

Collected data will be process and analysed through Statistical Package for Social Science (SPSS) 23.

3.6.1 Descriptive Analysis

Descriptive analysis used to transform raw data into a form that can be interpreted and understood easily; rearrange; order as well as manipulate data to generate descriptive information. It is used to illustrate the basic feature or characteristic of data in a study. With the aid of graphical analysis, it forms the quantitative analysis of data. Data in demographic profile such as gender, age, races will use nominal scale as measurement while income level and education level will use ordinal scale as measurement. By running descriptive analysis, it allow researcher to understand the fundamental features of the data. Besides, descriptive analysis also provide detailed information and reliable results.

3.6.2 Scale Measurement

3.6.2.1 Reliability Test

Cronbach alpha (α) is a measure of scale of reliability, which used to evaluate reliability or internal consistency. It is range from 0.00 to 1.00 with all the values between 0.00 and 1.00 are possible (Brown, 2002). Value of 0.00 indicates that if there is no variance is consistent or in other words, it indicates that no consistency in measurement. Value of 1.00 refers as if there is all variance is consistent or there is perfect consistency in measurement (Tavakol & Dennick, 2011).

Table 3.6: Rule of Thumb for interpreting Cronbach's alpha coefficient

Cronbach's Alpha	**Internal Consistency**
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.7$	High
$0.5 > \alpha \geq 0.7$	Acceptable
$0.5 > \alpha$	Unacceptable

Source: Hinton, P. R., McMurray, I., & Brownlow, C. (2014). *SPSS Explained (2nd edition).* New York, United State: Routledge.

According to Table 3.6, the Cronbach alpha value higher than 0.9 is considered as excellent reliable, within 0.7 to 0.9 is considered as highly reliable, between the ranges of 0.5 to 0.7 is consider acceptable, while a value below 0.5 is considered unacceptable reliability. According to Hinton et al. (2014), a low value (alpha lower than 0.5) due to low number of questions or poor interrelatedness between items whereas a high value of alpha (0.90 or higher) shows that there are some redundant items in the instruments.

3.6.3 Inferential Analysis

Inferential statistics branches into two main areas which are estimation of parameter and hypothesis testing. Estimation of parameter is the behaviour of the population (large group a people) can be estimated or assumed from the behaviour of the sample (small group of people). Hypothesis testing is mainly for answering research questions using sample data (Taylor, 2018). In this study, Pearson's Correlation Analysis, Multiple Linear Regression Analysis, ANOVA test and Independent Sample t-Test were used to test the

research hypotheses and analyzed the relationship between dependent variable (investor's intention on social responsibility investment (SRI) and independent variables (environmental concern, perceived consumer effectiveness, attitudes towards social responsibility investment and return).

3.6.3.1 Pearson Correlation Coefficient Analysis

Pearson correlation coefficient used to measure the strength of a linear relationship between two or more paired variables (Gogtay & Thatte, 2017). The value range from 1 to -1, and there are three types of correlation: positive, negative and no correlation. Positive correlation indicates that two variables tend to move in same direction. Conversely, negative correlation indicates that two variables will move in opposite direction. Meanwhile, no correlation means that two variables will not affected by each other. When the value is above 0.60, it is considered strong correlation and weak correlation when value is below 0.40. However, Belsley, Kuh and Welsch (1980) indicated that multicollinearity problem might happen when the value is equal or larger than 0.90, as the correlation between the variables is too high.

Pearson correlation test is adopted in this study to measure correlation between environmental concern, perceived consumer effectiveness, attitudes toward SRI and return. Besides, this study applied significant level of 0.01 and 0.05 to test the significance of the independent variable.

3.6.3.2 Multiple Linear Regression Analysis

Multiple regression is used to describe the relationship between dependent variable and more than two independent variables.

The multiple linear regression model as follows:

$$Y= \beta 0 + \beta 1 ATTITUDES + \beta 2 ENVIRONMENTAL + \beta 3 PCE + \beta 4 RETURN + \varepsilon i$$

Where

Y = Investor's intention on social responsibility investment

$ATTITUDES$ =Attitudes toward social responsibility investment

ENVIRONMENTAL= Environmental concern

PCE =Perceived consumer effectiveness

$RETURN$= Return

εi = Error term

3.6.3.3 Independent Samples t-Test

Independent samples t-test is applied to determine whether there is significant difference between two unrelated groups on the same dependent variable (Kenton, 2019). Unrelated group also known as unpaired group or independent group. In this study, only demographic variable of gender is tested under independent sample t-test, because gender only classified into two groups, which are male and female.

3.6.3.4 ANOVA Test

Analysis of variance (ANOVA), a statistical method that allow researcher to test whether the result from survey are significant or not. It used to figure whether need to reject or accept the null hypothesis. ANOVA test is applied is to test those demographic variables that contain two or more groups, such as races, age, income level and education level (Statistics solutions, 2013).

3.7 Conclusion

In chapter 3, survey questionnaire has been employed as the medium of data collection. Besides, targeted population and location, sampling technique and sampling size is determined in this chapter. In addition, pilot test is applied to ensure the validity and feasibility of the variables by using the Cronbach alpha test. Besides, the data for actual survey questionnaire will be collected and analyse through SPSS. The obtained results will be further elaborated in next chapter.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

In chapter 4, data analysis is being carried out after collecting data for this study. For the process of primary data collection, it has taken four months to go through. After gathering and sorting out all the data collected, a series of analysis that explained in previous chapter has to be done.

4.1 Descriptive Analysis

4.1.1 Demographic Profile of the Respondents

The demographic profiles of total 300 respondents (investment experience, gender, races, age, income level and education level) are collected and analysed. All the results will be displayed in table below.

Table 4.1: Demographic Profile of the Respondents

Variables	Frequency	Percent (%)	Standard Deviation
Investment Experience			
Less than 5 Years	157.0	52.3	0.66754
5-20 Years	113.0	37.7	
More than 20 Years	30.0	10.0	
Gender			
Male	159.0	53.0	0.49993
Female	141.0	47.0	
Races			
Malay	39.0	13.0	0.49677

Variables	Frequency	Percent (%)	Standard Deviation
Races			
Chinese	232.0	77.3	
Indian	27.0	9.0	
Others	2.0	0.7	
Age			
18-24 years old	53.0	17.7	1.19137
25-34 years old	111.0	37.0	
35-44 years old	64.0	21.3	
45-54 years old	54.0	18.0	
55-64 years old	13.0	4.3	
More than 64 years old	5.0	1.7	
Income Level			
Less than RM1000	19.0	6.3	1.37897
RM1001-RM3000	60.0	20.0	
RM3001-RM5000	97.0	32.3	
RM5001-RM7000	61.0	20.3	
RM7001-RM9000	29.0	9.7	
More than RM9000	34.0	11.4	
Education Level			
SPM/ O-level	49.0	16.3	1.46571
STPM/ A-level	7.0	2.3	
Diploma/Advanced Diploma	63.0	21.0	
Bachelor's Degree	121.0	40.4	
Master's Degree	45.0	15.0	
PhD	3.0	1.0	
Professional Certification	11.0	3.7	
Others	1.0	0.3	

Source: Developed for research

Refer to Table 4.1, 52.3%, equivalent to 157 of the respondents have less than five years investment experience. 37.7%, equivalent to 113 of the total respondents have investment experiences between five to twenty years and the remaining 10%, equivalent to 30 respondents have more than twenty years investment experience.

Besides, from 300 respondents, 53% of them are male which involves 159 of respondents while 47% of the respondents are female which involves 141 out of 300 respondents. From the table 4.1, majority are Chinese respondents, which stand 232 out of 300 respondents, about 77.3%. On the other hand, 13% of the respondents are Malay, which include 39 respondents while 27 respondents are Indian which consists of 9%. The remaining 0.7%, total two respondents have races other than Malay, Chinese and Indian.

Moreover, table 4.1 shows the result of respondents based on their age range. Out of 300 respondents, 111 respondents (37%) are in the age 25 to 34 years old while 64 respondents (21.3%) at the age between 35 to 44 years old. There are 54 respondents (18%) have the age range between 45 to 54 years old, 53 respondents (17.7%) in the age between 18 to 24 years old, 13 respondents (4.3%) at the age range between 55 to 64 while 5 respondents (1.7%) are more than 64 years old.

From the table 4.1, majority of the respondent's income level fall between RM3001-RM5000, which consists 97 out of 300, about 32.3%. In addition, 20.3% of respondents have income level in between RM5001 to RM7000, which consist of 61 respondents and about 20% of the respondent's income level between RM1001 to RM3000, which consists of 60 respondents. Next, 34 respondents or equivalent 11.3% of the respondents have income more than RM9000. Meanwhile, 9.7% or 29 of the respondent's income are between RM7001 to RM9000, whereby only a small minority have income less than RM1000, which are only 6.3%, consists of 19 respondents.

The table 4.1 stated that a large portion of the respondents is holding a bachelor degree, which consist of 121 respondents (40.3%). 63 respondents (21%) are diploma or advance diploma holder, 49 respondents (16.3%) are from SPM or O-level, 45 respondents (15%) have the education level of master's degree while 11 respondents (3.7%) are professional certificated. There are only 7 respondents (2.3%) are from STPM or A-level, 3 respondents (1%) are PHD holder and one respondent (0.3%) are from other level of education.

4.2 Scale Measurements

4.2.1 Reliability Analysis

Table 4.2: Reliability, Mean and Standard Deviation: Factors that affect Investor's Intention to Invest Social Responsibility Investment

Items	Cronbach's Alpha	Mean	Standard Deviation
Intention to invest in SRI	0.8564		
I1		3.5100	0.9520
I2		3.8867	0.7805
I3		4.1567	0.7794
I4		4.0433	0.8147
I5		3.5667	0.8953
Environmental Concern	0.8404		
EC1		4.1500	0.7229
EC2		4.1633	0.7473
EC3		4.0733	0.9684
EC4		4.0233	0.9196
EC5		4.2667	0.7051

Items	Cronbach's Alpha	Mean	Standard Deviation
Perceived Consumer Effectiveness	0.8500		
PCE1		3.8633	0.7527
PCE2		4.0067	0.7406
PCE2		3.8633	0.7789
PCE4		4.0633	0.7265
PCE5		3.8333	0.7708
Attitudes towards SRI	0.8734		
A1		3.9700	0.8070
A2		4.0700	0.7749
A3		4.4567	0.6902
A4		4.2433	0.7612
A5		3.9633	0.8432
A6		4.0000	0.8096
A7		4.4900	0.7337
Return	0.6065		
R1		4.5367	0.5800
R2		3.9233	0.8081
R3		3.7900	0.8215
R4		2.5633	1.0470
R5		1.9167	1.2308

Source: Developed for research

The purpose to apply reliability test is to ensure all questions for both independent and dependent variables are able to fulfil the minimum reliability requirement. According to Tavakol and Dennick (2011), the question is considered reliable if the Cronbach's Alpha of the question is equal to or above 0.70.

As shown in Table 4.2, the dependent variable, which is the intention to invest in SRI has generated Cronbach Alpha with 0.8564 and it is considered as highly reliable. For the independent variables, the Cronbach's Alpha ranged between lowest of 0.6065 and highest of 0.8734. Attitudes has the highest value of Cronbach's Alpha, which is 0.8734, followed by Perceived Consumer Effectiveness (PCE) with 0.8500, environmental concern with 0.8404, and return that has the lowest value, which is 0.6065. Based on the result generated, items for independent variable of attitudes, PCE and environmental concern can be considered as highly reliable, as their Cronbach's Alpha value higher than 0.80. However, values for return is lower than 0.8, which only obtain values of 0.6065, but as shown in Table 3.6, items for attitudes still considered as acceptable.

4.3 Inferential Analysis

4.3.1 Pearson Correlation Analysis

Table 4.3: Mean and Standard Deviation of Four Constructs and Item

Construct	**Mean**	**Standard Deviation**
Environmental Concern	4.1353	0.6406
Perceived Consumer Effectiveness	3.926	0.5959
Attitude Towards SRI	4.1705	0.5848
Return	3.954	0.5764
Intention to Invest in SRI	3.8327	0.6751

Source: Developed for research

The dependent variable (investor's intention to invest in SRI) has obtained standard deviation value of 0.6751 and mean value of 3.8327, which is

considered high. For independent variable, the most significant variable that can influence the investor's intention on SRI is attitude toward SRI which generate standard deviation of 0.5848 and the highest mean value of 4.1705 among independent variables. The second variable that can significantly influence the investor's intention would be environmental concern where mean value is 4.1353 and standard deviation is 0.6406. Next, followed by the variable of perceived consumer effectiveness (PCE) with the lowest mean value of 3.9260 and standard deviation value of 0.5959. Even though return has generate mean value of 3.9540 and standard deviation value of 0.5764, but return does not significantly affect investor's intention. Therefore, return is not included in the sequence.

Table 4.4: Correlation Coefficient of Independent Variables and Dependent Variable (Investor's Intention toward SRI)

Variables	**EC**	**PCE**	**Attitude Toward SRI**	**Return**
Environmental Concern	1			
Perceived Consumer Effectiveness	0.443**	1		
Attitude Toward SRI	0.452**	0.685**	1	
Return	-0.031	0.192**	0.263**	1
Intention	0.532**	0.463**	0.480**	-0.084

Note: ** Correlation is significant at 0.01 level (2 tailed).

Source: Developed for research

According to table 4.4, environmental concern was found positively correlated with investor's intention on SRI (i - 0.532) and it is significant at p-value of 0.01. For perceived consumer effectiveness (PCE), it has positive correlation with investor's intention on SRI where the intention value is at 0.463. In addition, PCE is significant at p-value of 0.01. Moreover, attitude

toward SRI indicated there is positive association with investor's intention on SRI (i - 0.480) and it is significant at p-value of 0.01. Lastly, return is insignificant at 0.01 level.

Table 4.5: Correlation Matrix among Items in Construct (Environmental Concern, Perceived Consumer Effectiveness, Attitude towards SRI and Return)

Panel A : Environmental Concern	**EC1**	**EC2**	**EC3**	**EC4**	**EC5**		
EC1	1						
EC2	0.728**	1					
Panel A : Environmental Concern	**EC1**	**EC2**	**EC3**	**EC4**	**EC5**		
EC3	0.443**	0.556**	1				
EC4	0.583**	0.627**	0.700**	1			
EC5	0.348**	0.406**	0.334**	0.434**	1		
Panel B : Perceived Consumer Effectiveness	**PCE1**	**PCE2**	**PCE3**	**PCE3**	**PCE5**		
PCE1	1						
PCE2	0.680**	1					
PCE3	0.601**	0.547**	1				
PCE4	0.505**	0.509**	0.595**	1			
PCE5	0.520**	0.447**	0.480**	0.425**	1		
Panel C : Attitude toward SRI	**A1**	**A2**	**A3**	**A4**	**A5**	**A6**	**A7**
A1	1						

Panel C : Attitude toward SRI	**A1**	**A2**	**A3**	**A4**	**A5**	**A6**	**A7**
A2	0.629**	1					
A3	0.499**	0.540**	1				
A4	0.562**	0.527**	0.552**	1			
A5	0.564**	0.547**	0.385**	0.613**	1		
A6	0.578**	0.538**	0.437**	0.483**	0.465**	1	
A7	0.426**	0.410**	0.554**	0.427**	0.321**	0.388**	1
Panel D : Return	**R1**	**R2**	**R3**	**R4**	**R5**		
R1	1						
R2	0.181**	1					
R3	0.188**	0.868**	1				
R4	(0.125**)	(0.253**)	(0.200**)	1			
R5	(0.237**)	(0.033)	0.079	0.620**	1		

Note: **Correlation is significant at 0.01 level (2-tailed).

*Correlation is significant at 0.05 level (2-tailed).

Source: Developed for research

As shown in Table 4.5, the result pointed out that all the questions in environmental concern are positively correlated with each other. The highest correlation is valued at 0.728, which is between question of concern on the issue of pollution and concern on the air pollution as well as issue of ozone depletion. Meanwhile, the lowest correlation (r=0.334) is within the question of one's emotion on how the pollution can cause harm to life and the question of one's emotion on firm's way that cause pollution. Furthermore, the questions from panel A are significant at 0.01 level as p-value (0.00) is less than 0.01.

For Perceived Consumer Effectiveness, based on Table 4.5, it shows that there is positive relationship among all the questions developed in Perceived

Consumer Effectiveness. The highest correlation would be r=0.680 which between question of one's belief for the positive effect on the environment by investing in SRI and the question of investor's impact on social problem by investing in socially responsible companies. However, the lowest correlation (r=0.425) falls within question of one's belief to make a difference on pollution and natural resources issue by investing in SRI companies and confidence in helping to solve the environmental problem. It also shows that all the questions are significant at 0.01 level at which p-value (0.00) is less than 0.01.

Moreover, Table 4.5 also shows the result for correlation among the questions of attitude. It shows that all questions that used to determine attitudes are positively correlated to each other. The highest correlation valued at r=0.62, which falls within question of one's favourable attitude to invest in SRI companies and question of one's preference to invest in environmental friendly company. Meanwhile, the lowest correlation valued at r=0.321 is within the question of the importance of social and environmental performance are the same to the financial performance for an investor and one's attitude in not supporting unethical business practice. Besides, all questions are significant at 0.01 level as p-value (0.00) is less than 0.01.

For return, it shows that R4 is negatively correlated with R1, R2 and R3, but positively correlated with R5. For R5, it is negatively correlated with R1 and R2, but positively correlated with R3. Meanwhile, the rest is positively correlated with each other. The highest correlation (r=0.868) is within question on one's belief SRI fund will generate profit and question on one's belief portfolio performance could be improved by adding SRI shares. The lowest correlation (r=0.033) falls within question R2 and R5, which one's belief SRI fund will generate profit whereas the other question on one's preference to invest SRI fund without taking profit into consideration. Even though there are negative relationships exist, but most of the questions are still able to significant at level of 0.01 and 0.05.

4.3.2 Multi Regression Model

Table 4.6: Regression Result of Independent Variables on Investor's Intention to Invest in SRI

	Beta	**t-value**	**Sig.**	**Result**
(Constant)	0.485	1.542	0.124	
Environmental Concern	0.392	6.906	0	Accept $H1_1$
Perceived Consumer Effectiveness	0.181	2.454	0.015	Accept $H2_1$
Attitude Toward SRI	0.229	2.97	0.003	Accept $H3_1$
Return	0.015	0.263	0.793	Reject $H4_1$

R= 0.607; R Square= 0.368; Sig= 0.000 < 0.05

Source: Developed for research

In this study, the multiple regression equation is formed as following:

$$Y=\beta_0 + \beta_1 ATTITUDES + \beta_2 ENVIRONMENTAL + \beta_3 PCE + \beta_4 RETURN$$

$$Y=0.485 + 0.229 ATTITUDES + 0.392 ENVIRONMENTAL + 0.181 PCE + 0.015 RETURN$$

Whereby:

Y = Investor's intention on social responsibility investment

$ATTITUDES$ =Attitudes toward social responsibility investment

ENVIRONMENTAL= Environmental concern

PCE =Perceived consumer effectiveness

$RETURN$= Return

Based on table 4.6, it used to explain the relationship between dependent variable (investor's intention on social responsibility investment) and independent variables (environmental concern, perceived consumer effectiveness, attitude toward SRI, return). Intercept of multiple regression model is 0.485 if zero value for all independent variables. The partial regression coefficient for attitude toward social responsibility investment is 0.229 in which investor's intention on social responsibility investment is expected to increase by 0.229 when attitude toward SRI increase by one, holding all the independent variables constant.

Moreover, investor's intention on social responsibility investment tend to increase by 0.392 whenever there is an increase in environmental concern, ceteris paribus. Besides, an unit increase in perceived consumer effectiveness will increase the investor's intention to invest in social responsibility investment by 0.181, holding all other independent variables constant. The investor's intention on social responsibility investment will increase by 0.015 if the return increase by one unit, ceteris paribus. Hence, return has the lowest impact on the dependent variable among all the independent variables. R square for this model is valued at 0.368. It indicated that 36.8% of the variation in investor's intention on social responsibility investment could be explained by all the independent variables.

4.3.2.1 Environmental concern

$H1_o$: There is no significant relationship between environmental concern and investor's intention to invest in social responsibility investment.
$H1_1$: There is a significant relationship between environmental concern and investor's intention to invest in social responsibility investment.

From hypothesis development, $H1_1$ indicates that there is no significant relationship between environmental concern and investor's intention on

social responsibility investment (SRI). $H1_1$ indicates that there is a significant relationship between environmental concern and investor's intention on social responsibility investment (SRI). Refer to Table 4.6, it showed that there is relationship between environmental concern and investor's intention on SRI as p value (0.00) is less than 0.05. Hence, accept $H1_1$. Moreover, beta of environment concern (0.392) showed that it has positive relationship with investor's intention on SRI.

4.3.2.2 Perceived Consumer Effectiveness

$H2_0$: There is no significant relationship between perceived consumer effectiveness and investor's intention to invest in social responsibility investment.
$H2_1$: There is a significant relationship between perceived consumer effectiveness and investor's intention to invest in social responsibility investment.

From hypothesis development, $H2_0$ indicates that there is no significant relationship between perceived consumer effectiveness and investor's intention on SRI, while $H2_1$ indicates that there is significant relationship between perceived consumer effectiveness and investor's intention on SRI. Table 4.6 shows that there is significant relationship between environmental concern and investor's intention on SRI as p value (0.015) is less than 0.05. Hence, accept $H2_1$. Besides, perceived consumer effectiveness positively affect the investor's intention as the beta is positive at 0.181.

4.3.2.3 Attitude towards SRI

$H3_0$: There is no significant relationship between attitude towards social responsibility investment and investor's intention to invest in social responsibility investment.

$H3_1$: There is a significant relationship between attitude towards social responsibility investment and investor's intention to invest in social responsibility investment.

From hypothesis development, $H3_0$ indicates that there is no significant relationship between attitude toward SRI and investor's intention on SRI, while $H3_1$ indicates that there is significant relationship between attitude toward SRI and investor's intention on SRI. As shown in Table 4.6, it showed that there is relationship between attitude towards SRI and investor's intention on SRI as p value (0.003) is less than 0.05. Hence, accept $H3_1$. Attitude toward SRI has a positive relationship with dependent variable, as the beta is positive at 0.229.

4.2.3.4 Return

$H4_0$: There is no significant relationship between return and investor's intention to invest in social responsibility investment.
$H4_1$: There is a significant relationship between return and investor's intention to invest in social responsibility investment.

From hypothesis development, $H4_0$ indicates that there is no significant relationship between return and investor's intention on SRI, while $H4_1$indicates that there is significant relationship between return and investor's intention on SRI. Result in Table 4.6 shows that there is no significant relationship between return and investor's intention on SRI as p value (0.793) is more than 0.05. Hence, reject $H4_1$. For return's beta (0.015), it indicated that there is positive relationship between return and dependent variable.

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For the three independent variables (environment concern, perceived consumer effectiveness and attitude toward SRI), the result indicates that they are significant as p-value is lower than 0.05. For return, the result shows

that it is insignificant to the investor's intention on SRI as p-value (0.793) is greater than 0.05. Since environmental concern, perceived consumer effectiveness and attitude toward SRI are significant in predicting investor's intention on SRI, these three variables are selected for further regression analysis.

4.3.3 Independent Sample t-Test

Table 4.7: Independent Sample t- Test Result for Gender

Constructs	**Gender**	**N**	**Mean**	**Standard Deviation**	**T-test for Equality of Mean (Sig.)**
Intention Towards SRI	Male	159	3.797	0.754	0.331
	Female	141	3.872	0.574	

Source: Developed for research

H5₀: There is no significant difference between gender and investor's intention to invest in social responsibility investment.
H5₁: There is a significant difference between gender and investor's intention to invest in social responsibility investment.

The table 4.7 shows the result of independent sample t-test for gender. Based on the table, among 300 respondents, 159 are male while 141 of them are female. The mean value for female is 3.872 while male are 3.797, which provide a meaning of the female having higher intention towards SRI compared to male. However, the p-value, which is 0.339, is more than 0.05, thus, there are no significant difference between female and male on the intention towards SRI. Therefore, Reject *H5₀.*

4.3.4 ANOVA Test

Table 4.8: ANOVA Test of Age

Construct	Age	N	Mean	Standard Deviation	ANOVA (Sig.)
Intention Towards SRI	18-24 years old	53	3.725	0.827	0.209
	25-34 years old	111	3.946	0.557	
	35-44 years old	64	3.750	0.738	
	45-54 years old	54	3.767	0.660	
	55-64 years old	13	3.862	0.660	
	More than 64 years old	5	4.160	0.434	

Source: Developed for research

H6₀: There is no significant difference between age and investor's intention to invest in social responsibility investment.
H6₁: There is a significant difference between age and investor's intention to invest in social responsibility investment.

From Table 4.8, there is no significant difference among the age group. The p-value of the ANOVA test of age is 0.209, which is bigger than 0.05 significant level. Since there is no significant difference of investor's intention to invest in SRI in term of age, therefore, reject *H6₁*.

Table 4.9: ANOVA Test of Income Level

Construct	Income Level	N	Mean	Standard Deviation	ANOVA (Sig.)
Intention Towards SRI	Less than RM1000	19	4	0.982	0.050
	RM1001-RM3000	60	3.897	0.619	
	RM3001-RM5000	97	3.971	0.640	
	RM5001-RM7000	61	3.741	0.682	
	RM7001-RM9000	29	3.683	0.536	
	More than RM9000	34	3.782	0.699	

Source: Developed for research

H7₀: There is no significant difference between income level and investor's intention to invest in social responsibility investment.
H7₁: There is a significant difference between income level and investor's intention to invest in social responsibility investment.

Table 4.9 shows the statistic result of ANOVA test of income level, the p-value of income level is equal to the significant level, 0.05. Therefore, it can be indicated that there is significant difference of the investor's intention to invest in SRI in term of income level. Thus, *H7₁* is accepted.

Table 4.10: Duncan of Income Level

Income Level	N	Subset for Alpha = 0.05	
		1	2

Income Level	**N**	**Subset for Alpha = 0.05**	
		1	2
Less than RM1000	19	3.537	
RM1001-RM3000	60	3.683	3.683
RM3001-RM5000	97	3.741	3.741
RM5001-RM7000	61	3.782	3.782
RM7001-RM9000	29		3.897
More than RM9000	34		3.971
Duncan (Sig.)		0.150	0.097

Source: Developed for research

Since there is a significant difference among the income level groups on their intention to invest in SRI, Duncan post hoc test was carry on. From the table 4.10, the respondents with the income level of more than RM3000-RM5000 has the highest intention to invest in SRI while the respondents with the income level of less than RM1000 has the lowest intention to invest in SRI. Thus, from the table it can be concluded that there is a significant difference between income level and the investor's intention to invest in social responsibility investment.

Table 4.11: ANOVA Test of Education Level

Construct	**Education Level**	**N**	**Mean**	**Standard Deviation**	**ANOVA (Sig.)**
Intention Towards SRI	SPM/ O-level	49	3.890	0.682	0.414
	STPM/ A-level	7	3.914	0.587	
	Diploma/ Advance Diploma	63	3.975	0.557	

Construct	Education Level	N	Mean	Standard Deviation	ANOVA (Sig.)
	Bachelor's Degree	121	3.780	0.693	
	Master's Degree	45	3.773	0.792	
	PhD	3	4.000	0.721	
	Professional Certification	11	3.527	0.561	
	Others	1	3.400	0.000	

Source: Developed for Research

H8₀: There is no significant difference between education level and investor's intention to invest in social responsibility investment.
H8₁: There is a significant difference between education level and investor's intention to invest in social responsibility investment.

Table 4.11 show the ANOVA test result of education level. From the table, there is no significant difference between the education levels of respondents. The p-value of the ANOVA test is 0.414, which is greater than the significant level, 0.05. Thus, *H8₁* is rejected.

4.4 Conclusion

In chapter 4, all the data collected is being used to conduct the analysis by using Statistical Package for Social Science (SPSS) 23. This chapter show different results of different analysis which included Pearson Correlation Analysis, Regression Analysis, Reliability Test and other tests as well. Besides, in this chapter, all the results are being tabulated in table form with the interpretations respectively. In the following chapter, further explanations regarding to the results will be discussed.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction

Chapter 5 summarised the discussion on major findings for all the independent variables and demographic variables. Moreover, it also includes research implication for managerial perspectives. Limitations of study are clarified and enhanced by recommendation of future research.

5.1 Discussion on Major Findings

Table 5.1 Summary of Discussion of Major Finding

No	Subtopic	Hypothesis	Decision
1	5.1.1	$H1_0$: There is no significant relationship between environmental concern and investor's intention to invest in social responsibility investment.	Reject
2	5.1.2	$H2_0$: There is no significant relationship between perceived consumer effectiveness and investor's intention to invest in social responsibility investment.	Reject
3	5.1.3	$H3_0$: There is no significant relationship between attitude towards social responsibility investment and investor's intention to invest in social responsibility investment.	Reject
4	5.1.4	$H4_0$: There is no significant relationship between return and investor's intention to invest in social responsibility investment.	Accept

No	Subtopic	Hypothesis	Decision
5	5.1.5	$H5_0$: There is no significant difference between gender of respondent and investor's intention to invest in social responsibility investment.	Accept
6	5.1.6	$H6_0$: There is no significant difference between age of respondents and investor's intention to invest in social responsibility investment.	Accept
7	5.1.7	$H7_0$: There is no significant difference between income level and investor's intention to invest in social responsibility investment.	Reject
8	5.1.8	$H8_0$: There is no significant difference between education level and investor's intention to invest in social responsibility investment.	Accept

Source: Developed for research

5.1.1 Environmental Concern

There is a significant relationship between environmental concern and investor's intention to invest in social responsibility investment. The result is supported and consistent with Kim and Choi (2005), Owen and Qian (2008), Ozsoy and Avcilar (2016) and Vyvyan, Ng and Brimble (2007). These past researchers found that environmental concern will positively affect the investor's intention to invest in SRI. In other words, the higher level of investor's environmental concern, the higher the willingness of investor to invest in SRI. This is because environmental concern able to encourage an individual's environmentally friendly behaviour and the belief about their action in mitigating environmental issues. In short, the level of a person's cares about the environment appears to affect their motivation to engage in SRI.

5.1.2 Perceived Consumer Effectiveness

There is a significant relationship between perceived consumer effectiveness and investor's intention to invest in social responsibility investment. The result is confirmed by the previous researches of Boey et al. (2015) and Nilsson (2007) as they stated that PCE is positively affect investor's intention to invest in SRI. This is because PCE has the capability to promote an individual's environmentally conscious behaviour and to translate the beliefs into action (Ellen, Weiner & Cobb-Walgren, 1991). Therefore, if an investor has higher level of PCE, he or she will have higher intention to invest in SRI. This is because they believe that they can affect the problem of social and environment by investing in SRI.

5.1.3 Attitude towards Social Responsibility Investment

There is a significant relationship between attitude towards social responsibility investment and investor's intention to invest in social responsibility investment. This finding of this study is consistent with the finding of Jansson and Biel (2014) and Adam and Shauki (2014). The past finding shows that if an individual has a positive attitude towards SRI, he or she tends to be more willing to invest in SRI. This is because one of the reason that investors select to invest in SRI is due to their personal morality. Consequently, the positive attitude will be transformed into the actual action towards SRI. Therefore, attitude of an investor towards social goals of an investment will affect their intention to invest in SRI.

5.1.4 Return

There is no significant relationship between return and investor's intention to invest in social responsibility investment. This indicated that the result of

this study is inconsistent with Nilsson (2007) where the author suggested the perception on return has play an important role in making investment decision. According to Beal et al. (2005), apart from financial return, SRI can create pleasure for investor and even bring social status to them. For instance, by investing in SRI, investors will feel good because their behaviour is considered as appropriate by their peer group. This kind of return is named "psychic return". Psychic return is able to bridge the gap between financial return and utility of SRI and it shows that SRI investors are willing to trade off financial return for social responsibility.

5.1.5 Gender

There is no significant difference between gender of respondents and investor's intention to invest in social responsibility investment. This is consistent with the finding of Riedl and Smeets (2017) and Williams (2007) where they stated that there is no difference between male investor and female investor. This is because investors choose to invest in SRI based on their awareness on environment and social issues. Therefore, gender does not have much impact in making socially responsible investment decision.

5.1.6 Age

There is no significant difference between age of respondents and investor's intention to invest in social responsibility investment. This is consistent with the previous research of Laroche, Bergeron and Forleo (2001). They drew the conclusion which age of respondents do not affect the investor's intention to invest in SRI, because everyone has different attitudes and beliefs toward SRI regardless their age. Therefore, age is unrelated to investor's intention to invest in SRI.

5.1.7 Income Level

There is significant difference between income level and investor's intention to invest in social responsibility investment. This is consistent with the findings of Escrig, Munoz and Fernandez (2011), Laroche, Bergeron and Forleo (2001), Nilsson (2007) and Williams (2007).

Referring to the result of this study, respondents with the income level of less than RM1000 have the lowest intention to invest in SRI. This is due to their income is not enough to support them to invest in SRI as this investment may consist "moral punishment" which is mentioned by Tippet and Leung (2001). The moral punishment refers to a form of penalty when the investors do believe that it is necessary to invest in a way that is consistent with personal values even the investment is underperforming. Therefore, wealthier SRI investors tend to be more capable for bearing this financial expense.

On the other hand, Escrig, Munoz and Fernandez (2011) found that investors with the middle income and higher income are more likely to invest in SRI. This is because middle-income and high-income investors are more probable to act in eco-friendly behaviour due to their increased awareness and exposure on current environment and social issues.

5.1.8 Education Level

There is no significant difference between education level of respondents and investor's intention to invest in social responsibility investment. This is consistent with the findings of Laroche, Bergeron and Forleo (2001) and Williams (2007) as they said that level of education does not significantly affect the intention of an investor. This is because investors choose to invest in SRI is mainly based on their awareness on environment and social issues

regardless of their education level. Therefore, education level does not have much impact in affecting investor's intention to invest in SRI.

5.2 Implications of the Study

5.2.1 Research Implications

According to the outcomes of the study, the findings are able to create a brand new perspective towards the SRI investors in the context of investment as well. Commonly, majority people may have an idea that making an investment decision is mainly for profit. However, looking at the results of the study, it can let more readers to know more about the intention of SRI investors is mainly caused by their own attitudes, environmental concern and perceived consumer effectiveness (PCE). In another words, it can be said that majority of the SRI investors are usually made up of the groups who are emphasizing on the positive societal impact by the investments. Furthermore, it is able to reveal that the return, which the SRI investors wish to gain, is not something can be measured in monetary value, as their goals are to help in solve the social and environmental issues as well. Their investment goals are less realistic as the conventional investors.

5.2.2 Managerial Implications

After investigating and identifying the relevant factors, it can be applied in different sectors as well. According to the findings of the study, few parties can gain benefits from the knowledge gain of the study.

The first party is regulators. In Malaysia, the regulators that are engaging in the stock market include Securities Commission (SC), Bursa Malaysia and Bank Negara Malaysia. The roles of the regulators are to monitor the trading

in the stock market and also regulate the matters relating to the stock market. By knowing the factors that affect investors' intention to invest in SRI, the regulators may impose an act on the listed companies. For an example, in April 2017, SC had released a code, which is known as Malaysia Code on Corporate Governance and the code is mainly emphasizing on the meaningful disclosures to the stakeholders by the companies. In the context of SRI, regulators may strengthen the act in order to encourage the listed companies in disclosing the information to the investors. For instance, regulators may attach one new rules in the code, which is the companies are compulsive to disclose the information to the public. The information may include the environmental activities, which are carried out by the companies. By doing this way, it will attract the investors who are having environmental concern to invest in SRI as well.

Furthermore, the second party is listed companies. The companies may design a marketing strategy to attract more SRI investors. The first strategy is the companies may focus to promote SRI by focusing on doing something which will benefit the society. By doing this way, the investors may have more interest to invest in SRI because the factors that cause them to invest in SRI are their consciousness, awareness and attitudes. For instance, companies can engage themselves in more environmental-friendly activities such as resource recycling to attract investors who concerned about environmental issues to invest in SRI. The second strategy is the companies may utilising the power of media, which is advertising. For instance, the companies can release advertisements or news to promote what company has done for the society in order to attract SRI investors. The third strategy is the companies may include the information in their annual reports for the investors to look into and make the investment decisions.

The knowledge obtained from the study is advantageous to financial analyst. The financial analyst may come from CIMB Investment Bank, RHB Investment Bank and other banks as well. In order to improve the number of SRI investors, the analysts may include the information of companies regarding to the social programs in the analyst reports. For the investors who

are having high environmental concern, high perceived consumer effectiveness and positive SRI attitudes, they may interest in making the SRI decisions. Moreover, financial analyst may recommend SRI to the investors by promoting the well performance of SRI and the benefits of investing in SRI. Through this way, investors may have a deeper understanding on SRI and hence raise their interest to invest in SRI.

5.3 Limitations of the Study

Throughout this study, there is some limitations exist. These limitations should take into account in the future research. Firstly, this research do not capture the investor's intention to invest in SRI in different time period as this research only study the factor that affect the investor's intention at a single point in time. However, there might be a change in the behaviour related to the SRI investors due to the changes in environment, political and social that would affect the investor's behaviour and intention towards SRI. For example, there might be an implementation of policy related to SRI or the emerging serious environmental problem happen in the future which will affect the behaviour of investors towards SRI but are not captured in this study. Thus, the future research might be different from this study in term of attitudes, PCE, environmental concern and return.

Moreover, according to Agyapong and Ewusi (2017), their finding stated that return is an important variable that influence investors to invest in an investment. However, the insignificant result of return may due to this research did not divide financial return into different categories such as short-term return and long-term return. This is because different investors may have different perceptions about the short-term or long-term financial return on SRI. For example, Jansson and Biel (2014) claimed that SRI tends to generate lesser return in short term but higher return in long term. Therefore, long-term investors are more likely to invest in SRI than short-term investors. Consequently, investor's intention to invest in SRI to some extent is based on the perception of obtaining a long-term financial return. As

a result, it is suggested that future research should divide financial returns into longer and shorter term.

5.4 Recommendation for Future Research

First, future researchers are recommended to conduct longitudinal study for their future research. They are recommend to extend the data collection period of their studies over years in order to better observe investor's intention on SRI in different period. Changes in political and social factor that will affect investor's decision in different timespan can also be captured. For example, according to The Straits Times (2019), Johor toxic chemical pollution happened in March 2019 and this may increase the investor's awareness about the importance of the social responsibility of a company and the investor's intention to protect the environment but these changes are not captured in this research. Furthermore, the longer the time period, the more SRI information disclosed by the company. Consequently, investor's decision may also be affected. For example, investor may prefer to invest in company that has applied SRI for years instead of new SRI company.

Besides, future researchers are recommended to classify the return into different categories such as long term return and short term return. Other than that, the psychic return of investor is also recommend for the future researches to include as a new variable to examine the factors that affect investor's intention to invest in SRI. By doing this way, the future researchers can better capture the relationship between different types of return and the investor's intention to invest in SRI.

5.5 Conclusion

Investor's intention toward social responsibility investment had been carried out in this research. All the data collected had been analysed, discussed and summarised in this research. This research could provide significant information for further study.

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APPENDICES A: SURVERY QUESTIONNAIRE

UNIVERSITI TUNKU ABDUL RAHMAN
Faculty of Business and Finance

BACHELOR OF FINANCE (HONS)

Survey Questionnaire

FACTORS THAT AFFECT INVESTOR'S PERCEPTION ON SOCIAL RESPONSIBILITY INVESTMENT

Dear Respondent,
A very good day to you.
We are final year undergraduate students of Bachelor of Finance (Hons) from Universiti Tunku Abdul Rahman (UTAR). The purpose of the research is to study the factors that affect investor's perception on social responsibility investment (SRI).

Your participation in this research project is highly appreciated. There are two sections in this questionnaire. Kindly answer all the questions and provide accurate answers for the questionnaire below. This questionnaire will take approximately 10 minutes to complete. The information collected will be solely used for academic purposes and will be kept under private and confidential basis. Information collected is very general and does not include personal or sensitive information. Thank you for your participation.

Name	**Student ID No.**
1. CHAI MENG YEW	1503610
2. LEE KAI NI	1502860
3. LEE PUI SIN	1503138
4. LOW CHUN KIT	1503075
5. YEAP PEI CHEN	1503454

Section A: Demographic Profile

Instruction: Please tick the most suitable option given or fill in the blank provided.

1. Investment Experience:

☐ No investment experience
☐ Less than 5 years
☐ 5 - 20 years
☐ More than 20 years

2. Gender:

☐ Male
☐ Female

3. Races:

☐ Malay
☐ Chinese
☐ Indian
☐ Others:

4. Age:

☐ 18 - 24 years old
☐ 25 - 34 years old
☐ 35 - 44 years old
☐ 45 - 54 years old
☐ 55 - 64 years old
☐ More than 64 years old

5. Income Level:

☐ Less than RM 1,000
☐ RM 1,001 - RM 3,000
☐ RM 3,001 - RM 5,000
☐ RM 5,001 - RM 7,000
☐ RM 7,001 - RM 9,000
☐ More than RM 9,000

6. Employment Status:

☐ Student
☐ Self Employed
☐ Employed
☐ Retired
☐ Not Employed

7. Highest Education Level Attained:

☐ SPM / O-Level
☐ STPM / A-Level
☐ Diploma /Advance Diploma
☐ Bachelor's Degree
☐ Master's Degree
☐ PhD
☐ Professional Certification
☐ Others

Section B: Factor that affect investor's perception on social responsibility investment (SRI)

Instruction: Please indicate your response by circling the appropriate number (1= Strongly disagree; 2= Disagree; 3= Neither disagree nor agree; 4= Agree and 5 = Strongly agree)

(Socially responsibility investment (SRI) is an investment strategy that consist of two parts, to generate a profit (financial return) and to consider social good while doing so. The SRI approach is to avoid investing in companies that produce or sell addictive substances (like alcohol, gambling and tobacco) and seeking out companies engaged in social justice, environmental sustainability and alternative energy/clean technology efforts.)

Intention to invest in social responsibility investment

Items	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I have intention to switch from convention investment to invest in social responsibility investment	1	2	3	4	5
2.	I have intention to invest in social responsibility investment because of its positive environmental contribution.	1	2	3	4	5
3.	When I have choice between two investment, I choose the one less harmful to people and environment.	1	2	3	4	5
4.	I am willing to include social responsibility investment in my investment portfolio.	1	2	3	4	5
5	I will invest in SRI in near future.	1	2	3	4	5

Environmental Concern

Items	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I am very worried about the issue of pollution in general.	1	2	3	4	5

Items	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
2.	I am very worried about air pollution and the issue of ozone depletion.	1	2	3	4	5
3.	I will get mad when I think about how the pollution can cause harm to life.	1	2	3	4	5
4.	I get frustrated and angry when I think about the ways in which firms caused pollution.	1	2	3	4	5
5.	I will support and preferable in those companies that have excellent environmental management policies and practices.	1	2	3	4	5

Perceived Consumer Effectiveness

Items	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I believe I can have a positive effect on the environment by investing in SRI.	1	2	3	4	5
2	I believe that every investor has power to affect social problems by investing in socially responsible companies.	1	2	3	4	5
3	I invest my money in SRI since one person acting alone can make a difference on pollution and natural resource problems	1	2	3	4	5
4	I think that it is useful for the individual investor to do anything about pollution.	1	2	3	4	5
5	I have confident that I am able in helping solve the environment problems.	1	2	3	4	5

Attitudes towards Social Responsibility Investment

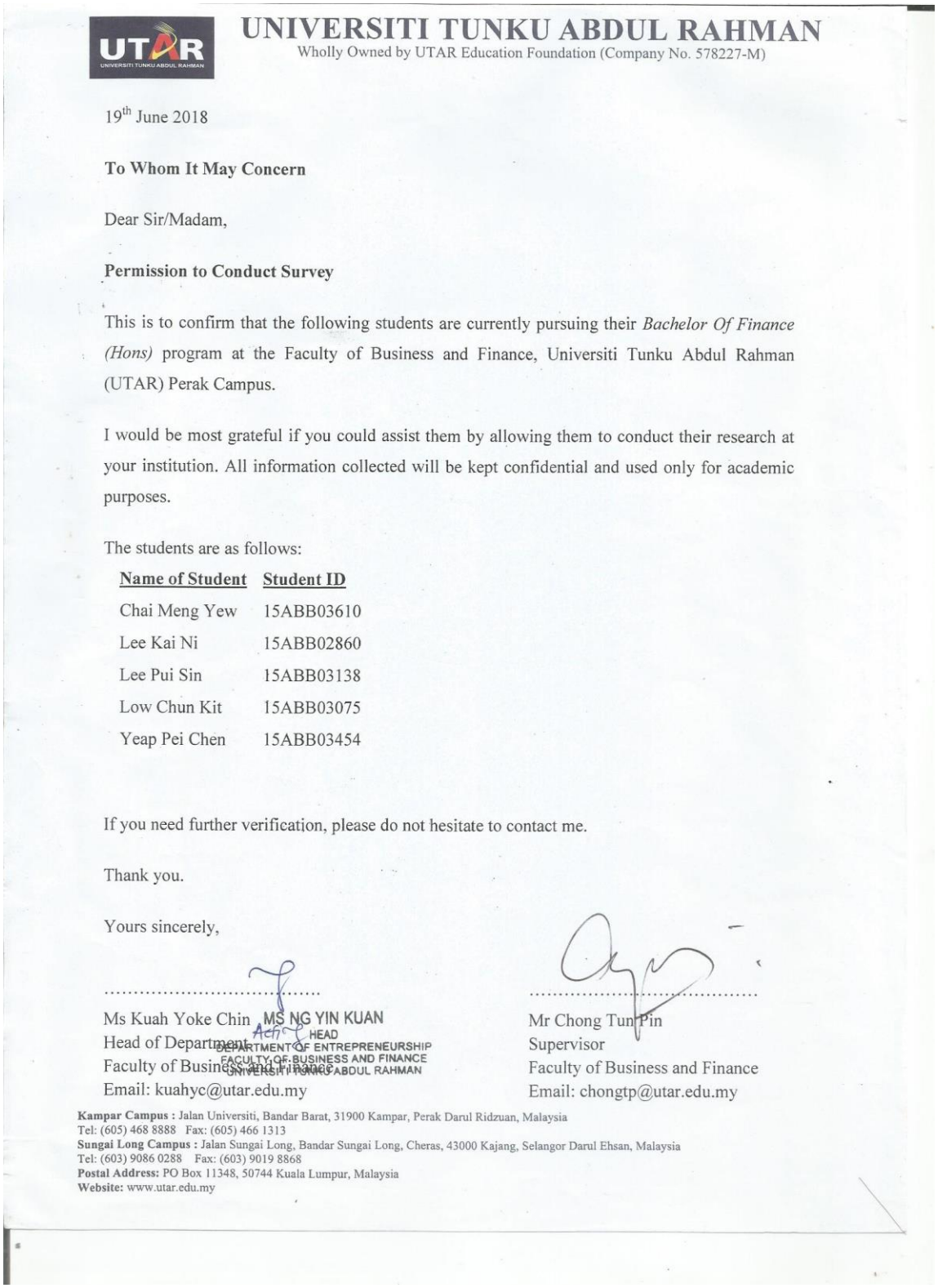
Items	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I have a favourable attitude toward invest in social responsibility investment company.	1	2	3	4	5
2.	I prefer invest in environmental friendly company.	1	2	3	4	5
3.	I think that companies should be more responsible to society.	1	2	3	4	5
4.	I feel good about invest in investment of companies that benefit to environment.	1	2	3	4	5
5.	As an investor, a company's social and environmental performance is as important to me as its financial performance.	1	2	3	4	5
6.	I will work actively with environmental issue.	1	2	3	4	5
7.	I do not support unethical business practice.	1	2	3	4	5

Return

Items	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Financial return is my main concern for investment.	1	2	3	4	5
2.	I believe SRI funds will generate profit.	1	2	3	4	5
3.	I believe portfolio performance can be improved by adding SRI shares.	1	2	3	4	5
4.	I think that non-SRI funds perform financially better compared with SRI funds.	1	2	3	4	5
5.	I prefer to invest in SRI fund without taking profit into consideration.	1	2	3	4	5

-THANK YOU-

APPENDICES B: CERTIFICATION LETTER



UNIVERSITI TUNKU ABDUL RAHMAN
Wholly Owned by UTAR Education Foundation (Company No. 578227-M)

19th June 2018

To Whom It May Concern

Dear Sir/Madam,

Permission to Conduct Survey

This is to confirm that the following students are currently pursuing their *Bachelor Of Finance (Hons)* program at the Faculty of Business and Finance, Universiti Tunku Abdul Rahman (UTAR) Perak Campus.

I would be most grateful if you could assist them by allowing them to conduct their research at your institution. All information collected will be kept confidential and used only for academic purposes.

The students are as follows:

Name of Student	Student ID
Chai Meng Yew	15ABB03610
Lee Kai Ni	15ABB02860
Lee Pui Sin	15ABB03138
Low Chun Kit	15ABB03075
Yeap Pei Chen	15ABB03454

If you need further verification, please do not hesitate to contact me.

Thank you.

Yours sincerely,

Ms Kuah Yoke Chin
Head of Department
Faculty of Business and Finance
Email: kuahyc@utar.edu.my

MS NG YIN KUAN
HEAD
DEPARTMENT OF ENTREPRENEURSHIP
FACULTY OF BUSINESS AND FINANCE
UNIVERSITI TUNKU ABDUL RAHMAN

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