

**UNIVERSITI TEKNOLOGI MARA**

**DETERMINING SUSTAINABILITY  
RESPONSIBLE INVESTMENT (SRI)  
SUKUK SUBSCRIPTION INTENTION  
AMONG INVESTORS**

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## ABSTRACT

Sustainable and Responsible Investment (SRI) was introduced in Malaysia under SRI Sukuk framework by the Security Commission (SC) in year 2014 and consequently in 2017 the issuance of Guidelines on SRI. The guideline focuses on the community and economic development that concentrate on public hospital and medical services, public education, community services, urban revitalization, affordable housing and sustainable building. Though its fundamental role in the Sukuk capital market, and its attractiveness to individual investors, especially in the promotion and growth of SRI Sukuk in the Islamic Capital Market (ICM), the factors for selection of Sukuk, especially SRI Sukuk has not yet been addressed thoroughly even with numerous attempts by many researchers. Prior studies have been engaging research on investors behaviour in subscribing SRI with Theory of Planned Behaviour (TPB) as it has been found to be very powerful in explaining and useful in understanding a broad area of individual behaviours. However, only little research has been done in Malaysia regarding SRI Sukuk, especially in the context of Islamic finance (Sukuk) as its core instrument using TPB. Nevertheless, researchers argue that relying only on TPB constructs; attitude, subjective norm and perceived behavioural control are seem insignificance due to the effect of unidimensional influence thus this study proposed the Decomposed Theory of Planned Behaviour (DTPB) model to analyse the effect of multidimensional belief constructs in explaining the intention of investors. This study theorizes the factors that will affect the attributes of intention in DTPB model by including the elements of spirituality, financial literacy and peers influence as the influencing factors on investors intention to subscribe SRI Sukuk investment. Three research objectives with twenty-one hypotheses were generated for the study. A quantitative method using questionnaire surveys was used to collect data for the study. The questionnaire survey study was administered to sample potential investors among the financial experts, researchers, academicians, undergraduate and postgraduate students which are not directly involved in issuing or investment generator. A total of 287 financial experts, researchers, academicians, undergraduate and postgraduate students participated in the study. This quantitative study was conducted to examine the significant relationship of the modified DTPB's attributes towards potential investors' intention to subscribe SRI Sukuk and the mediating effect of TPB attributes between the decomposed elements; spirituality, financial literacy and peers influence and intention. Structural analysis of Smart PLS was performed on TPB attributes and the decomposed elements to determine which elements that would be a stronger influence on the intention of potential investors to invest in SRI Sukuk. This study found spirituality as the most influential factor on TPB attributes as the decomposed element. This study also found that attitude performed as the most effective component to influence behavioural intention and the most effective mediator between the influencing factors and potential investors' behavioural intention. The theoretical contribution of this study is the the modified version of DTPB, where the multidimensional belief structure for the constructs characteristics derive from two theories, the Theory of Social Identity (TSI) and Behavioural Finance Theory (BFT). The practical implication of this study is that the outcomes might help stakeholders to employ the any possible engagements in terms of programs, campaigns and regulations that will also benefit the policymakers to understand better their roles and responsibility in promoting SRI Sukuk in the Malaysian ICM.

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