ANALYSIS OF FACTORS INFLUENCING INVESTMENT DECISIONS IN THE CAPITAL MARKET: A SYSTEMATIC REVIEW OF THE LITERATURE

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ABSTRACT

This study aims to explain the factors that influence investment decisions in the capital market. This research is descriptive and qualitative in nature. The model used in this research is a case study and journal review. The population in this study is all journal articles available in the available journals. Meanwhile, information retrieval was carried out using publish or peris and google scoolar data. The technique used in data collection is journal review in the existing journal population. Researchers use data collection techniques that exist in journals. The population of journals used was 500 journals, from 500 journal populations researchers dissected into 25 journals as existing samples. Furthermore, the data will be written in tabular form which will later be used as a conclusion. The results show that there are several factors that influence investment decisions, both knowledge, motivation, and risk factors in investment decisions as well as the very influential role of investment in supporting the country's economy. Students and the millennial generation are the most interested in investing in the capital market because in addition to the benefits that can be provided investment is also very easy to do. the average research object used in the journal of interest in investing is students and the millennial generation because they are the most influential.

Keywords: Google, Publish, Most, Interested, Students

INTRODUCTION

The development of capital market investment from year to year has increased so that it has become one of the benefits for the State of Indonesia. The role of the capital market has a big role for a country, especially the State of Indonesia where the benefits generated by the capital market are very supportive of the Indonesian economy such as there will be many businesses that open jobs which will certainly reduce the unemployment rate, support consumer purchasing power, and household consumption. However, when viewed from the reality on the ground, there are still many most Indonesians who are worried about investing some of their money in the capital market.

According to KSEI data, the number of capital market investors is currently dominated by the younger generation with investors under 30 years old who contribute 57.81% and an asset value of IDR 49.22 trillion. As for investors over the age of 60 years alone, it accounts for 2.82% of the total number of investors with the highest asset value alone reaching Rp759 trillion. In terms of gender, capital market investors are still dominated by men, contributing 62.73% with an asset value of IDR 1,004.5 trillion in May 2023, compared to women of 37.27% with an asset value of IDR 297.67 trillion. In terms of income, the majority or 47.92% of investors have income between Rp10 million to Rp100 million a year. Followed by investors with income below Rp10 million which contributed 38.81%. For the profession or work side itself, the highest amount was donated from investors with professions as civil servants, private sector and teachers who contributed 32.95%. Followed by investors who are still students contribute 27%, entrepreneurs 14.55% and housewives 6.66%. However, in terms of asset value based on profession, investors who are entrepreneurs still occupy the largest position reaching Rp494.64 trillion, then civil servants, private sector and continued teachers Rp398.61 trillion.this means that the interest in investing in young people is very large, because almost the average user of investing in the capital market is those who are in the young age phase. This causes there are still many companies that do not invest in the capital market because the company's profitability is still not supportive. From the results of the study, it can be synthesized that the capital market plays a very important role in the country's economy, especially the State of Indonesia where the development of the capital market is accelerating rapidly and is recorded to increase 3 times in 2023, in contrast to the previous 2020 and 2022. Even the capital market has also helped the State of Indonesia since before our country became independent, precisely during the colonial government they also used the capital market to get the funds needed in their government.

(Tandelilin, 2012) investment involves committing a certain amount of funds or other resources in the present, with the aim of achieving a certain level of profit in the future. (Kamarudin, 2009) the concept of investment is defined as the act of placing money or funds in the hope of obtaining additional profits or returns on invested capital. The Indonesian Institute of Accountants in "Financial Accounting Standards" (Indonesian Institute of Accountants, 2015) describes investment as an asset used by a company to increase its wealth through the distribution of investment returns (e.g., interest, royalties, dividends, and rent), an increase in investment value, or other benefits derived from trade relations. (Sutrisno, S. &. 2008), investment relates to the distribution of capital by investors, both domestic and foreign, in various business sectors that are open to investment opportunities, with the aim of generating profits.

From this understanding, it can be affirmed that investment is a compilation of funds or other sources of funds that companies utilize for wealth expansion through the allocation of investment returns in the form of interest, royalties, and dividends, with the anticipation of obtaining additional or profitable returns from these funds in the future. Basically, investment indicates the allocation of a certain amount of funds at the moment, with the aim of obtaining a certain size of profit in the future. Investment can be considered as a commitment to allocate a definite amount of funds at the moment, with the aim of getting profits in the future (Herlianto, 2013). Investment can be examined from three perspectives, which are as follows (Soemitra, 2014): monetary aspects (instilled) and (expected), to evaluate (wealth) in the future. Therefore, to assess (viability) investments, the conception of money is also used. The time aspect (present and future) therefore to assess investment is also used the time aspect. From this benefit aspect, the investment feasibility assessment must also look at the benefits and costs caused by using the benefit principle or cost benefit ratio. Investment evaluation incorporates time considerations, covering the present and future. This evaluation also takes into account the benefits derived from the investment. To assess investment feasibility, a benefit and cost check is required, using a benefit-based approach or a cost benefit ratio.

There are two categories of investments, specifically those known as Direct Investment and Indirect Investment (Bandi &; Hartono, 2000). Direct Investment indicates the act of acquiring a company's financial assets directly. This type of investment can be made through the money market, which involves procuring assets that have minimal default risk, have short maturity periods, and exhibit high levels of liquidity, such as Treasury bills (T-bills). In addition, it can also be executed through capital markets, where fixed-income securities and equities (equity income) are involved. Lastly, direct investment can be achieved through the derivatives market, which includes options and futures contracts. On the other hand, Indirect Investment refers to the acquisition of shares in an investment company that maintains a portfolio of financial assets acquired from other companies. An investment company is a company that offers financial services by selling its shares to the general public and then utilizing the funds raised to invest in its portfolio.

The investment process consists of five different stages, namely the determination of investment objectives. Investor goals vary depending on the decisions they make so that they cannot be equated between one investor and another investor in determining the purpose of their investment. After this, the determination of investment policy takes place. This stage involves setting policies to achieve predetermined investment objectives. Then, the selection of a portfolio strategy takes place. Active portfolio strategy and passive portfolio strategy are two strategies to choose from. An active portfolio strategy involves utilizing available information and forecasting techniques to identify the optimal portfolio combination. On the other hand, passive portfolio strategies involve investment activities that are aligned with the performance of market indices. Next, the selection of assets takes place, which involves the evaluation of each security that will be included in the portfolio. Finally, the measurement and evaluation of portfolio performance takes place. This stage entails assessing the performance of the portfolio and comparing it to benchmarks.

Investments cover a broad spectrum of possibilities that can lead to losses on investments due to the difference between actual income received and expected income during the investment process. Risk is a variable that usually evokes concern in individuals, including investors. So that no one, even one wants to accept the risk. The difference lies only in the extent to which each individual is able to embrace risk. Some individuals are only able to accept minimal risk, while others are able or willing to assume substantial risk. By investing is a profitable thing for every individual, but when an individual or group carries out investment activities means they will be ready for the risks that will be accepted, therefore we need knowledge about investing and the importance of attending training or socialization about the capital market.

The capital market, in a limited sense, denotes the physical location where securities are exchanged, commonly referred to as a stock exchange. The stock exchange, as defined, is a systematically organized mechanism that unites sellers and buyers of securities, facilitating transactions both directly and indirectly. Capital Market Law No. 8 of 1995 on Capital Market provides a definition for capital market, stating that it covers activities related to public offerings and securities trading. In addition, this includes the involvement of public companies that issue these securities, as well as institutions and professions related to these financial instruments.

Indonesia's capital market is an emerging market that is highly vulnerable to general macroeconomic conditions, as well as global economic conditions and world capital markets. The effect of macroeconomic factors on company performance is not immediate, but rather gradual and extended over a long period of time. Conversely, changes in macroeconomic factors instantly impact stock prices, as investors respond with greater speed. After macroeconomic changes, investors consider the positive and negative implications on a company's future performance, then determine whether to buy, sell, or hold the relevant stock. As a result, stock prices show faster adjustments to variations in macroeconomic variables compared to the performance of a particular company.

One of the opportunities that must be exploited by policymakers in the capital market is the growth of the middle class in Indonesia. Undoubtedly, the middle class (also known as the consumer class) consists of individuals who have the ability to engage in consumption and investment activities. Unfortunately, the growth of the middle class in Indonesia is not accompanied by an adequate understanding of investment in the capital market. A monthly study tracking the middle class conducted by Marketeers Magazine, Indonesia's leading marketing publication, reveals that the majority of the country's middle class chooses short-term investments, while only a small percentage invest in long-term investments in the capital market.

To increase the significance of the capital market and empower the middle class in increasing Indonesia's economic progress, there are several policies that require implementation. First, regulation and enforcement of Capital Market Law No. 8 of 1995 in accordance with the development of applicable capital market practices. Second, empowering local investors (in this scenario, it also makes sense to empower the middle class by urging them to invest in capital markets). Third, increasing capital market education for companies. Fourth, providing incentives for companies to start public offerings. Fifth, increasing capital market liquidity and expanding instruments and derivatives markets. By exerting efforts to improve the performance and role of the capital market in supporting project financing of private companies and the government, the Indonesian economy will continue to grow and will be able to achieve the status of the 7th largest economy globally by 2030.

The challenges of the capital market itself include the lack of domestic investors, the number of issuers on the Indonesia Stock Exchange (IDX) that have good performance is still relative, plus there are still few capital market investment products and then there are still limited regulatory systems that have not been synchronized and there are still many pitfalls of fried issuers. Which is caused by the knowledge of some people who are still unfamiliar with the world of investment in the Indonesian capital market, causing a wrong perception. When someone intends to invest in the capital market with minimal investment knowledge, that person has a greater tendency to fall into fraudulent or fraudulent investments so that they will feel disadvantaged. Therefore, investment knowledge is very important for the people of Indonesia so that they are no longer worried or experience fraud and can feel safe in investing. Because you have learned the knowledge of investing so that you will experience minimal losses. Even OJK realizes that in the midst of global uncertainty, of course, there will be many challenges that we face together. So it cannot be ascertained how to solve this capital market challenge itself.

The capital market plays an important role in a country's economy because of the fulfillment of two important functions. First, it serves as a medium to finance a business or obtain funds from investors. Secondly, it provides individuals with a platform to invest in financial instruments. Which can be inseparable from the risks and benefits themselves. As we already know, the greater the return we expect, the greater the risk, on the contrary, the lower the risk, of course, the lower the return. Previous research shows that the tendency to invest and the perception of return significantly impact students' interest in investing in stocks in the capital market. From their research shows that investment knowledge and capital policy influence investment interest in the capital market.based on the results of the subject matter, researchers formulate the following problems:

1 What are the considerations for investment decision making in the capital market?
2 What is the role of the capital market for a country's economy?
3 How to increase interest in investing in millennials?
4 What kind of research objects are used in investment decision journals in the capital market?
5 What is the purpose of the research contained in the junal?

METHOD, DATA, AND ANALYSIS

In this study the author uses qualitative and descriptive research methods, where the data produced is analyzed qualitatively where the research collects, presents and analyzes data qualitatively. The population used in this study was by collecting data through 500 journal populations. From 500 journal populations, 25 journals were taken which will be sampled in this study. Data collection techniques carried out using the journal review method with sample criteria for investment factors in the capital market. Journal review is carried out by comparing one journal with another to be integrated to be used as a result of research analysis.

RESULT AND DISCUSSION

This study used qualitative methods by collecting data as many as 500 journal sample populations that were dissected into 25 journal populations. The purpose of this study is to determine the continuity of the journal in accordance with the formulation of the problem made.

Table 1.1 Number of Journals by Year

No	Year	Amount
1	2016	1
2	2017	1

3	2018	2
4	2019	6
5	2020	6
6	2021	4
7	2022	4
8	2023	1

Source: Processed Data, 2023

Based on Table 1.1, the population grouping of journals reviewed is based on the year of publication of the journal with the latest publication year starting from 2016 to 2023. From the results of the number of journal reviews dominated on average by journals in 2019 and 2020 which can solve 5 types of existing problem formulations. It proves that from the sample of existing journals, 25 journals that are dissected are journals that have completeness in answering existing problem formulations. The conclusion is that journals in 2019 and 2020 are the most dominating journal samples and can answer existing problem formulations.

Table 1.2 Number of Variable

No	Variables	amount
1	Depedent variable (X)	72
2	Independent variable (Y)	22
3	Intervening variable (Z)	2

Source: Processed Data, 2023

Based on Table 1.2, it can be seen that the variables used by the large number of journal samples on average are dominated by variable X. It is proven that many researchers in a journal article use more independent variables (X).

Tabel 1.3 Analysis Tools

No	Analysis tools	amount
1	Regeresi linear	15
2	Spss	16
3	Any path analysis	1

Source: Processed Data, 2023

Based on Table 1.3, it can be seen that the average analysis tool used in journal writing is dominated by spss. SPSS is a computer program used as a statistical analysis tool. In conclusion, the SPSS analysis tool is the most widely used tool by the authors because its use can be fairly easy. In conclusion, the SPSS application is the most influential and useful application for research that uses a quantitative approach.

Tabel 1.4 Research Approaches

No	research	Amount
1	Qualitative	0
2	Quantitative	25

Source: Processed Data, 2023

Based on Table 1.4, it can be known that the population of research approaches in this journal review is dominated by quantitative approaches. Quantitative approaches are systematic scientific research on parts of phenomena and their causality. The conclusion is that quantitative approaches are very widely used by many authors of journal articles.

Research Results

This research investigation explores the impact of investor attitudes, the influence of the social environment, and investment knowledge on the investment aspirations of young investors in the capital market. These findings suggest that subjective norms lack the ability to activate intention in the context of investment. In this particular study, young investors showed a more pragmatic approach to investing in capital markets, showing no vulnerability to social environmental influences, motivations, investment enforcement, and preferences that impact investment choices. Based on the results of data analysis and discussion in the previous chapter, the author conducted this study with the aim of examining the influence of trust, financial literacy, motivation, investment knowledge, return and investment risk and high motivation will make someone place his funds in accordance with his goals with investment. There are many factors that can influence a person to invest in the Islamic capital market. Financial literacy has a negative and insignificant effect on investment decision making in the capital market. Second, experienced regret has a positive and significant effect on investment decision making in the capital market.

The results of the research instrument test, namely the validity test and reliability test, show that all indicators used to measure the independent variable and the dependent variable in this study are feasible and reliable as benchmarks. Investment knowledge has a positive and significant effect on students' interest in investing in the capital market, investment motivation has a positive effect, minimum investment capital has a positive effect. We can conclude that financial literacy has a positive effect on investment decisions. Financial behavior positively influences investment decisions. The results of this study also showed that there were no differences in student investment decisions, profitability, investment decisions and funding decisions simultaneously or partially did not have a significant effect on the value of pharmaceutical companies listed on the IDX for the 2011-2014 period.

Based on the research findings in accordance with the data analysis techniques carried out, the discussion of research carried out on all aspects can be drawn conclusions to answer the following problem formulation:

a. Considerations of investment decision making in the capital market In this study that is considered in deciding investment decisions are Investor Attitude as a predictor of Attitude toward the behavior, social environmental impact as a predictor of subjective norm and Investment knowledge as a predictor, the need for success, the need for affiliation (fostering fellow relationships), the need for power. In addition, the value of the stock price is a consideration and confidence in investing is a very important consideration. And the level of return on investment that will be received in the future.
b. The role of the capital market for a country's economy The role of the capital market for the country's economy is very important because almost the average journal article explains that investment in the capital market is one way to achieve or increase economic growth for the State of Indonesia besides that investment is also a means to reduce the unemployment rate in Indonesia because many companies are opening new jobs through investment.
c. How to increase interest in investing in the millennial generation How to increase interest in investment in the millennial generation era varies greatly from the level of motivation, knowledge in investing, and information through social media. In the millennial era, students are more likely to be interested in investing because in addition to a fairly easy way, of course, there are also benefits obtained in investing. The most powerful way to increase interest in investing is to conduct socialization and provide training on the capital market plus increase capital market literacy.

d. Research objects that are often used in investment decisions in the capital market In this study, the research objects used in journals that have been reviewed are dominated by the distribution of questionnaires, as well as student data data at the university concerned. Another object studied is a manufacturing company, but from the results of this study, the dominant object studied is the millennial generation who are especially in college.

Research Objectives

In addition, the purpose of the study is to prove the problem factors in the journal articles that have been made. The average purpose of the study is to examine the influence of attitudes, social environmental impacts, risks to be faced and investment knowledge on the desire to invest in the capital market.

CONCLUSION

Based on the results of research and discussion, it can be concluded that this study aims to explain the factors that influence investment decisions in the capital market. This research is included in descriptive and qualitative research. The models used in this study were case studies and journal reviews. The population in this study is all journal articles available in available journals. Information retrieval is carried out using publish data or peris and google scoolar. The technique used in data collection is a journal review on the existing journal population. The researchers used a journal population collection technique that was dissected into 25 existing journal samples. The results showed that there are several factors that influence investment decisions, including knowledge, motivation, and risk factors. The role of investment is also influential in supporting the country's economy.

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