Modeling the Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

Priyo Priyantoro*, Katherin Daniar
Universitas Kadiri, Indonesia
Email: priyo.priyantoro@unik-kediri.ac.id*, katherin@unik-kediri.ac.id

ABSTRACT

The urgency of climate change and sustainability issues has highlighted the importance of green investment, particularly among young generations who are increasingly exposed to financial decisions through digital platforms. This study aims to examine the influence of attitude toward behavior, subjective norms, perceived behavioral control, and financial literacy on green investment intention, as well as the role of financial influencers as a moderating variable, and the subsequent impact on actual green investment behavior among Generation Z investors in East Java, Indonesia. Using an explanatory quantitative approach, data were collected from 400 valid respondents selected through purposive sampling and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The results reveal that all four predictors—attitude toward behavior, subjective norms, perceived behavioral control, and financial literacy—have a positive and significant effect on green investment intention. Furthermore, green investment intention and perceived behavioral control are proven to significantly drive actual green investment behavior. The moderating test indicates that financial influencers only strengthen the relationship between attitude toward behavior and green investment intention, while their influence is insignificant on subjective norms, perceived behavioral control, and financial literacy. These findings contribute to the extension of the Theory of Planned Behavior by incorporating financial literacy and influencer effects into the model. The study provides theoretical implications for behavioral finance research and practical insights for policymakers, educational institutions, and financial regulators to design strategies that enhance sustainable investment literacy and foster long-term participation in green investment.

INTRODUCTION

In recent decades, the climate crisis and environmental degradation have driven the investment world to shift from a profit-oriented approach toward a sustainable paradigm. It is predicted that the global economy may change by up to 10% by 2050 due to this phenomenon (Nilasari & Fitriyah, 2024). This

transformation is rooted in the 2015 Paris Agreement, which reflects the commitment of nations to limit global temperature rise to below 2°C and to achieve net zero emissions (NZE) by 2060 (Nugraha & Rahadi, 2021). Indonesia, as one of the main contributors to greenhouse gas emissions in Southeast Asia—with a total of 1,240 million tons recorded in 2022—faces the urgent need for rapid and measurable mitigation policies to curb the pace of climate change..

The concept of green investment and the Environmental, Social, and Governance (ESG) approach has become a pivotal turning point in shaping the new direction of global capital markets. Investment is no longer solely focused on financial returns but also on its impact on the environment and society (Aulia et al., 2024; Paetzold & Busch, 2014; Pirani & Patil, 2024). Green investment refers to financing activities directed toward entities or projects committed to environmental sustainability, which are not limited to the conservation of natural resources but also include the development of renewable energy, initiatives for air and water quality management, and the implementation of environmentally responsible business practices. Substantively, this form of investment aims to reduce greenhouse gas emissions and air pollution without significantly compromising the levels of production and consumption of non-energy goods (Nilasari & Fitriyah, 2024).

Amid the growing discourse on sustainability, green investment has not yet fully become mainstream, particularly in developing countries such as Indonesia. In fact, Indonesia's policy through the second mission of Asta Cita has emphasized the promotion of a green economy. However, many investors still perceive ESG aspects as "added value" rather than essential components in decision-making. Neglecting sustainability principles poses significant risks to long-term financial stability, both in terms of transition risks such as carbon regulation and social pressures, as well as physical risks including climate-related disasters and resource scarcity (Nilasari & Fitriyah, 2024; Pandurugan & Al Shammakhi, 2024; Pašiušienė et al., 2024). Moreover, new investors, particularly Generation Z, demonstrate a complex orientation: while they express concern for sustainability issues, they remain highly vulnerable to the influence of social media in making financial decisions (Suci Martaningrat & Kurniawan, 2024).

The escalating climate crisis and global commitments to sustainability have intensified scholarly interest in green investment behavior, particularly among younger demographics (Khan et al., 2021; Tan & Wang, 2022). Recent studies have substantiated the pivotal role of psychological constructs from the Theory of Planned Behavior (TPB) in shaping sustainable financial intentions (Ajzen, 2020; Aliedan et al., 2023). For instance, research by Aliedan et al. (2023) confirmed that attitudes, subjective norms, and perceived behavioral control significantly influence green investment intentions in the industrial sector, while Salama and Zhang (2023)

Modeling The Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

14610

extended the TPB model by incorporating religious commitment as a moderating factor, highlighting the multidimensional nature of such decisions (Lee et al., 2022). Concurrently, the proliferation of digital media has catalyzed investigations into the impact of financial influencers, with Aren and Hamamcı (2024) demonstrating their direct and indirect effects on investment intentions through credibility assessments (Sahani & Mehta, 2021). These collective efforts underscore a growing academic consensus on the interconnectedness of cognitive, social, and digital factors in fostering sustainable investment paradigms (Nguyen & Tran, 2022).

Within this context arises a fundamental research question: how do psychological and social factors—such as attitudes toward green investment, subjective norms, perceived behavioral control, and financial literacy, with social media exposure as a moderating factor—influence Generation Z's green investment intention? The urgency of this research rests on three main dimensions. First, from a normative perspective, Indonesia faces significant challenges in achieving the Sustainable Development Goals (SDGs), making the growth of green investment crucial to support energy transition, food security, and the circular economy. Second, from a theoretical perspective, there remains a gap in academic studies that comprehensively integrate psychological, cognitive, and digital social factors in explaining young investors' decision-making within the sustainability context. Third, from a practical perspective, the findings of this research are expected to serve as a foundation for designing sustainable financial education strategies and strengthening regulations related to the promotion of green investment.

Despite these advancements, a discernible research gap persists in comprehensively modeling the decision-making processes of Generation Z investors within emerging economies like Indonesia. Existing literature often examines TPB variables or digital influences in isolation, with limited integration of financial literacy as a core cognitive antecedent within the same framework. For example, while Ratnawati (2024) linked financial literacy to Generation Z's investment decisions and Nilasari and Fitriyah (2024) explored social media's moderating role, few studies have simultaneously incorporated financial literacy, TPB constructs, and influencer moderation to explain both intention and actual behavior. This gap is particularly salient given the unique characteristics of Gen Z—digitally native, socially conscious, yet financially inexperienced—which may engender distinct behavioral pathways that extant models do not fully capture.

To address this gap, the present study introduces novelty by developing and testing an integrated theoretical model that expands the traditional TPB framework. Specifically, it incorporates financial literacy as a direct antecedent of green investment intention and introduces financial influencers as a moderating variable affecting the relationships between TPB constructs and intention. This approach allows for a more nuanced examination of how digital social cues interact with

intrinsic psychological and cognitive factors to shape sustainable investment outcomes. Furthermore, the study focuses explicitly on the translation of intention into actual green investment behavior—a critical yet underexplored linkage in prior research—within the context of Generation Z in East Java, Indonesia, thereby offering a contextual and generational refinement of existing behavioral finance theories.

The primary purpose of this research is to empirically examine the influence of attitude toward behavior, subjective norms, perceived behavioral control, and financial literacy on green investment intention, and subsequently, on actual green investment behavior among Generation Z investors. Additionally, it aims to assess the moderating role of financial influencers in strengthening or weakening the relationships between the independent variables and investment intention. By employing a quantitative explanatory approach and analyzing data from 400 respondents using Structural Equation Modeling-Partial Least Squares (SEM-PLS), the study seeks to verify hypothesized causal pathways and provide robust statistical evidence on the drivers of sustainable investment participation.

The benefits of this research are threefold. Theoretically, it contributes to the extension of the Theory of Planned Behavior by integrating financial literacy and digital influencer effects, thereby enriching behavioral finance and sustainable investment literature. Practically, the findings offer valuable insights for policymakers, financial regulators, and educational institutions in designing targeted interventions—such as enhanced financial literacy programs and responsible social media campaigns—that can effectively promote green investment awareness and adoption among young investors. Ultimately, by fostering a deeper understanding of the factors that drive sustainable investment behavior, this study supports broader societal goals related to climate change mitigation and the achievement of Sustainable Development Goals (SDGs) through informed and participatory financial decision-making.

RESEARCH METHOD

This study employed an explanatory quantitative approach to test and explain causal relationships influencing green investment intention among Generation Z by integrating the Theory of Planned Behavior (TPB), financial literacy, and social media financial influencers. It was classified as verificative research, focusing on hypothesis testing based on theory and prior literature.

The population consisted of Generation Z investors with experience or interest in investing and residing in East Java Province. The sample comprised 400 respondents selected through purposive sampling, based on criteria including Generation Z membership, active or potential investors, and active social media

Modeling The Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

14612

users. This sample size aligned with Hair et al.'s (2019) recommendation of at least 10 respondents per indicator for SEM-PLS modeling, ensuring model feasibility.

Primary data were collected both offline and via online questionnaires. The questionnaire was developed from theoretical indicators combining TPB, financial literacy, and the influence of social media financial influencers on green investment intention and used a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS software, chosen for its strength in handling complex latent constructs and simultaneous causal relationships with moderately sized samples.

RESULT AND DISCUSSION

The questionnaire was distributed to a total of 536 respondents, of which 400 were successfully processed and analyzed. The distribution of respondent demographic is presented in the following table 1:

Table 1. Demographic Respondent

Characteristics	Category	Frequency	Percentage
Gender	Male	235	58,8%
	Female	165	41,3%
Education	Elementary School	1	0,3%
	Junior High School	14	3,5%
	Senior High School	37	9,3%
	Bachelor's Degree	282	70,5%
	Postgraduate (Master & Doctoral)	66	16,5%
Age	12 - 17 Years	15	5,0%
	18 - 23 Years	219	73,0%
	24 - 27 Years	66	22,0%
Occupation	Student	67	16,8%
	Private Employee	145	36,3%
	Professional	119	29,8%
	Entrepreneur	57	14,3%
	Others	12	3,0%
Income (Rp)	< 3,000,000	165	41,3%
	3,000,001 - 5,000,000	175	43,8%
	5,000,001 - 10,000,000	45	11,3%
	> 10,000,000	15	3,8%
Investment Experience	< 1 Year	34	8,5%
	1 - 5 Years	267	66,8%
	6 - 10 Years	84	21,0%
	> 10 Years	15	3,8%

Source: Author 2025

According to the table above, dominated by males (58.8%) with the majority holding a bachelor's degree (70.5%) and a smaller proportion having postgraduate qualifications (16.5%). Most were aged between 18–23 years old (73.0%), which identifies them as Generation Z investors actively participating in the investment landscape. In terms of occupation, private employees (36.3%) and professionals (29.8%) represented the largest groups, while students (16.8%) and entrepreneurs (14.3%) also contributed significantly. Income levels were concentrated in the middle to lower range, with 43.8% earning between Rp 3,000,001–5,000,000 and 41.3% earning below Rp 3,000,000. Investment experience was predominantly short-term, with 66.8% having invested for 1–5 years and 21.0% for 6–10 years. Overall, the profile of respondents reflects the dominance of Gen Z investors— young, male, bachelor-educated, employed as private workers or professionals, with moderate income and relatively limited investment experience—highlighting the growing role of younger generations in shaping green investment participation.

Descriptive Statistic and Correlation

This study employs the variables of attitude toward behavior, subjective norms, perceived behavioral control, financial literacy, green investment intention, financial influencer, and actual green investment behavior. The mean values of respondents' answers along with the standard deviations for each variable are presented in Table 2.

Table 2. Descriptive Statistic and Correlation

Variable	Mean	SD
Attitude toward Behavior	4,435	0,699
Subjective Norms	4,368	0,715
Perceived Behavioral Control	4,420	0,704
Financial Literacy	4,373	0,714
Green Investment Intention	4,409	0,714
Financial Influencer	4,422	0,704
Actual Green Investment Behavior	4,413	0,712

Source: Author 2025

Measurement Model Analysis

This study applies convergent validity and discriminant validity tests on the constructs measured in the development of the initial research scale. Values ranging between 0.50 and 0.60 are deemed acceptable. The outcomes of the validity and reliability assessments are presented in Table 3.

Modeling The Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

14614

Table 3. Validity Analysis

Latent Variable	Indicator	Convergent Validity		Discriminant Validity	
		Loading Factor	Result	AVE	Result
Attitude toward Behavior	X1.1	0,876	Valid	0,749	Valid
	X1.2	0,852	Valid		
	X1.3	0,868	Valid		
Subjective Norms	X2.1	0,853	Valid	0,708	Valid
	X2.2	0,864	Valid		
	X2.3	0,808	Valid		
Perceived Behavioral Control	X3.1	0,859	Valid	0,710	Valid
	X3.2	0,836	Valid		
	X3.3	0,821	Valid		
	X3.4	0,855	Valid		
Financial literacy	X4.1	0,841	Valid	0,696	Valid
	X4.2	0,822	Valid		
	X4.3	0,827	Valid		
	X4.4	0,835	Valid		
	X4.5	0,848	Valid		
Green Investment Intention	Z1.1	0,863	Valid	0,741	Valid
	Z1.2	0,871	Valid		
	Z1.3	0,849	Valid		
Financial Influencer	M1.1	0,824	Valid	0,667	Valid
	M1.2	0,819	Valid		
	M1.3	0,811	Valid		
	M1.4	0,801	Valid		
	M1.5	0,829	Valid		
Actual Green Investment Behavior	Y1.1	0,850	Valid	0,729	Valid
	Y1.2	0,879	Valid		
	Y1.3	0,832	Valid		

Source: Author 2025

Based on Table 3, the loading factor values (convergent validity) for all items exceed 0.7, demonstrating that the indicators of financial literacy, financial access, financial risk attitudes, and business performance are valid. Thus, it can be concluded that each item effectively and accurately fulfills its measurement function using the SmartPLS instrument.

Table 4. Reliability Analysis

| Variable	Cronbach's alpha	Composite reliability
Attitude toward Behavior	0,833	0,900
Subjective Norms	0,794	0,880
Perceived Behavioral Control	0,864	0,908
Financial Literacy	0,891	0,920
Green Investment Intention	0,825	0,896
Financial Influencer	0,875	0,909
Actual Green Investment Behavior	0,814	0,890

Source: Author 2025

Based on table 4 above, it can be concluded that the data used in this study are reliable. The threshold value for reliability is 0.70. In table 4 it can be seen that each variable has a Cronbach's alpha and composite reliability value greater than 0.7. So that the items used in this study are reliable.

Structural Model Test

Testing the structural model (inner model) aims to assess the model's suitability, which can be evaluated through the coefficient of determination (R^2), predictive relevance (Q^2), and the goodness of fit (GoF). The structural model (inner model) testing was conducted to evaluate the suitability of the model using the coefficient of determination (R^2). The results show that the R^2 value for Green Investment Intention is 0.878, indicating that 87.8% of the variance in Green Investment Intention can be explained by Attitude toward Behavior, Subjective Norms, Perceived Behavioral Control, and Financial Literacy, while the remaining 12.2% is influenced by other factors outside the model. Furthermore, the R^2 value for Actual Green Investment Behavior is 0.859, which means that 85.9% of the variance in Actual Green Investment Behavior can be explained by Green Investment Intention and Perceived Behavioral Control, with the remaining 14.1% explained by other variables not included in this study. These results demonstrate that the model has a strong explanatory power, as both R^2 values fall into the high category.

The Q^2 test results yield a value of 0.983, indicating that this research model possesses strong predictive relevance. Specifically, Attitude toward Behavior, Subjective Norms, Perceived Behavioral Control, and Financial Literacy are able to explain Green Investment Intention and Actual Green Investment Behavior by 98.3%, while the remaining 1.7% is influenced by other variables not included in this research model. The Goodness of Fit (GoF) test is used to assess the overall accuracy of a research model based on its variables. Based on the GoF calculation, the model yields a value of 0.787, indicating that the structural model of this study

Modeling The Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

14616

demonstrates strong predictive power. This GoF value suggests that the model is robust, and therefore, hypothesis testing can be confidently conducted.
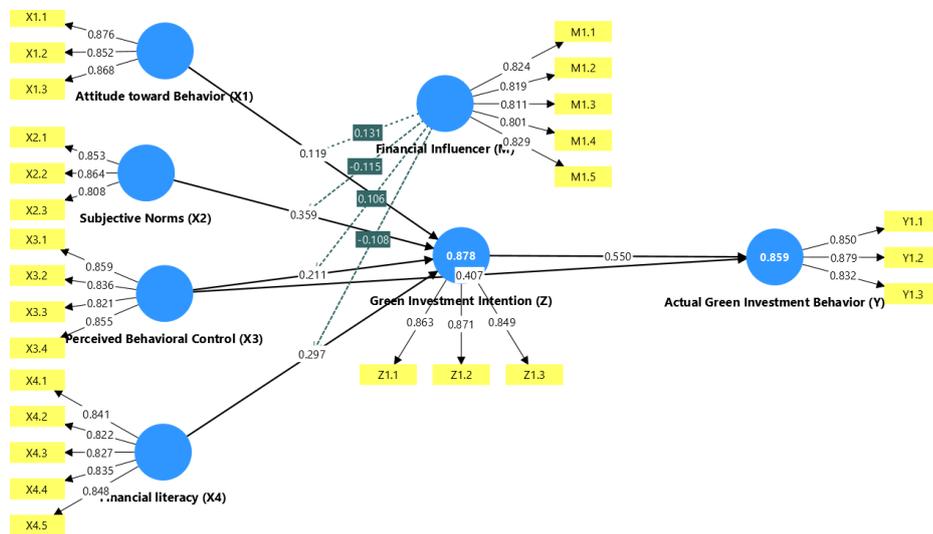
Picture 1. Result SmartPLS4

Hyphotesis Test

This study conducted hypothesis testing, which included both direct and moderated effects. The direct effect test was carried out to examine the influence of Attitude toward Behavior, Subjective Norms, Perceived Behavioral Control, and Financial Literacy on Green Investment Intention,

Table 5. Direct Effect Test Result

	Path Coef	t-Statistic	P-Value	Result
Attitude toward Behavior -> Green Investment Intention	0,119	2,328	0,020	Accepted
Subjective Norms -> Green Investment Intention	0,359	7,149	0,000	Accepted
Perceived Behavioral Control -> Green Investment Intention	0,211	3,692	0,000	Accepted
Financial literacy -> Green Investment Intention	0,297	4,711	0,000	Accepted
Perceived Behavioral Control -> Actual Green Investment Behavior	0,523	9,029	0,000	Accepted
Green Investment Intention -> Actual Green Investment Behavior	0,550	10,774	0,000	Accepted

Source: Author 2025

The table above shows that Attitude toward Behavior has a significant effect on Green Investment Intention ($\beta = 0.119$, t = 2.328, $p < 0.05$), thus the hypothesis is accepted. Subjective Norms also significantly influence Green Investment Intention ($\beta = 0.359$, t = 7.149, $p < 0.05$), supporting the proposed hypothesis.

Furthermore, Perceived Behavioral Control has a positive and significant effect on Green Investment Intention (β = 0.211, t = 3.692, p < 0.05), and Financial Literacy significantly affects Green Investment Intention (β = 0.297, t = 4.711, p < 0.05), indicating that both hypotheses are accepted. In addition, Perceived Behavioral Control shows a significant effect on Actual Green Investment Behavior (β = 0.523, t = 9.029, p < 0.05), and Green Investment Intention also significantly affects Actual Green Investment Behavior (β = 0.550, t = 10.774, p < 0.05).

Table 6. Indirect Effect Test Result

	Path Coef	t-Statistic	P-Value	Result
Financial Influencer x Attitude toward Behavior -> Green Investment Intention	0,131	1,975	0,048	Accepted
Financial Influencer x Subjective Norms -> Green Investment Intention	-0,115	1,911	0,056	Rejected
Financial Influencer x Perceived Behavioral Control -> Green Investment Intention	0,106	1,626	0,104	Rejected
Financial Influencer x financial literacy -> Green Investment Intention	-0,108	1,508	0,132	Rejected

Source: Author 2025

The table above shows that the moderating role of Financial Influencer on the relationship between Attitude toward Behavior and Green Investment Intention has a positive and significant effect (β = 0.131, t = 1.975, p < 0.05), thus the hypothesis is accepted. Meanwhile, the moderating effect of Financial Influencer on the relationship between Subjective Norms and Green Investment Intention is not significant (β = -0.115, t = 1.911, p > 0.05), leading to the rejection of the hypothesis. Similarly, the moderating role of Financial Influencer on the relationship between Perceived Behavioral Control and Green Investment Intention is also not significant (β = 0.106, t = 1.626, p > 0.05), and the moderating effect on the relationship between Financial Literacy and Green Investment Intention is not significant either (β = -0.108, t = 1.508, p > 0.05). Therefore, only one of the proposed moderating hypotheses is supported, while the others are rejected.

The results of this study reveal a positive and significant relationship between attitude toward behavior (ATB) and green investment intention among Generation Z investors in East Java. Gen Z investors who hold positive attitudes toward environmentally responsible investments are more likely to express an intention to invest in green financial instruments. This finding indicates that favorable attitudes toward sustainability and environmental principles serve as a key driving factor in

Modeling The Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

14618

shaping their intention to choose investments that support sustainability goals. These results are consistent with the study by Dewi dan Tamara (2020) which found that positive attitudes toward retail bonds, as one form of green investment instrument, significantly influenced the investment intentions of employees at the Indonesia Stock Exchange. Similarly, Priyantoro and Prasetyo (2024), also demonstrated that attitude has a positive and significant effect on stock investment intention in East Java.

Subjective norms (SN) have a positive and significant influence on green investment intention among Generation Z investors in East Java, as social influences from their surrounding environment—such as family, friends, and colleagues—play an important role in shaping their investment decisions. Gen Z tends to be strongly influenced by the opinions and support of those closest to them, particularly when making decisions related to social and environmental issues. When social norms that support sustainable investment become stronger within their community, individuals are more likely to feel encouraged to participate in green investment. Generation Z, known for being highly connected to their social environment through social media and various digital platforms, is also more sensitive to emerging norms around them. When many people within their social groups, such as peers or family members, support and promote environmentally friendly investments, it reinforces their intention to follow suit. Moreover, this positive influence strengthens the belief that sustainable investing not only provides financial benefits but also creates positive social and environmental impacts, which increasingly become part of widely accepted social norms. These findings are consistent with Alleyne and Broome (2011), who showed that social encouragement from significant others can strengthen an individual's intention to choose sustainable investment products.

Perceived Behavioral Control (PBC) has a positive and significant influence on both green investment intention and actual green investment behavior among Generation Z stock investors in East Java. PBC reflects the extent to which individuals feel they have control or the ability to perform a given action—in this case, investing in environmentally friendly stock instruments. Gen Z investors in East Java who feel more confident and perceive greater control over their investment decisions, such as the ability to access information and green investment instruments, tend to demonstrate stronger intentions to invest sustainably. Moreover, PBC has also been shown to significantly affect actual green investment behavior, indicating that individuals who perceive greater control in their investment decision-making are more likely to translate their intentions into real actions. This reinforces the understanding that perceived control plays a critical role in decisions to invest in sustainability-oriented stocks. These findings are consistent with Husin and Rahman (2016), who revealed that individuals are more likely to

invest when they feel confident and possess sufficient resources. Similarly, Shah Alam and Mohamed Sayuti (2011) confirmed that perceived behavioral control influences the intention to purchase halal products, while Osman Ismah (2019) also emphasized the significant effect of PBC on green investment intention among Muslim investors.

The findings indicate that financial literacy has a positive and significant effect on green investment intention among Generation Z stock investors in East Java. Higher levels of financial literacy enable individuals to better understand various financial concepts, including the potential risks and benefits of sustainable investments. Investors with strong financial literacy are more capable of critically evaluating investment instruments that meet Environmental, Social, and Governance (ESG) standards and of assessing the long-term benefits of green investment. This, in turn, strengthens their intention to invest in instruments that support environmental sustainability. A solid financial understanding also makes it easier for them to access and select green investment products. Furthermore, financial literacy is directly linked to the ability to manage risks and make investment decisions based on informed judgment rather than merely following trends. These results are consistent with the findings of Ratnawati (2024), which demonstrated that financial literacy contributes to improving the financial behavior of Generation Z, particularly in stock market investment activities related to green instruments.

The findings show that financial influencers moderate the relationship between attitude toward behavior (ATB) and green investment intention among Generation Z stock investors in East Java. Financial influencers, who shape investment decisions through social media and other digital platforms, can either strengthen or weaken the effect of attitudes on the intention to invest in environmentally friendly instruments. When financial influencers provide relevant information, financial education, and raise awareness of the importance of sustainable investment, positive attitudes toward green investment are more likely to translate into stronger intentions to participate. Conversely, if the information conveyed is inaccurate or does not support sustainability principles, their influence may weaken the relationship between ATB and green investment intention. Thus, financial influencers play an important role in shaping investor perspectives, particularly among younger generations who are highly exposed to digital media, in making investment decisions that support environmental sustainability. These findings highlight the role of media and financial influencers as moderators of environmentally responsible investment decisions among stock investors in East Java.

The findings indicate that financial influencers do not moderate the effects of subjective norms (SN), perceived behavioral control (PBC), or financial literacy on

Modeling The Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

14620

green investment intention among Generation Z stock investors in East Java. This outcome can be explained by several strong reasons. First, Generation Z tends to be more independent in making investment decisions and has broad access to various information sources, including financial education platforms and more verified market news. With increasing levels of financial literacy, they rely more on personal knowledge and experience in making investment decisions rather than on the opinions of financial influencers, which are sometimes subjective and not always research-based. Second, subjective norms and PBC, which reflect social influence and perceived control over investment decisions, play a more central role in shaping stronger green investment intentions. These factors are primarily driven by internal beliefs and the expectations of immediate social environments, such as family and close friends, who exert greater influence on the mindset of young investors. Third, financial influencers may have a stronger impact in encouraging short-term or speculative investment decisions; however, in the context of green investment—which requires long-term commitment—more profound and informed decisions are typically driven by a deep understanding of sustainability and broader social impacts.

The results show that green investment intention has a significant effect on actual green investment behavior among Generation Z investors in East Java. This finding indicates that a strong intention to invest in sustainability-oriented instruments often translates into real action, particularly among young investors who are increasingly aware of the importance of environmental sustainability. Green investment intention, shaped by factors such as financial literacy, attitudes toward responsible investment, and social norms that support sustainability, creates a strong motivation for Gen Z investors to actualize their intentions. Generation Z is known for its openness to change and higher awareness of sustainability and the environmental impact of investment. With greater access to information on green investment products, they are more capable of converting their intentions into actual behavior. This aligns with the Theory of Planned Behavior, which posits that intention is the primary predictor of behavior, especially when individuals perceive sufficient control to take the necessary actions. In this case, intentions driven by sound financial understanding and awareness of social and environmental impacts are ultimately reflected in concrete decisions to select and invest in instruments that support sustainability goals.

CONCLUSION

This study demonstrates that psychological and cognitive factors—namely attitude toward behavior, subjective norms, perceived behavioral control, and financial literacy—have a positive and significant influence on green investment intention among Generation Z investors in East Java. These findings confirm that

personal beliefs, social encouragement, confidence in accessing investment instruments, and sound financial understanding are the key determinants in shaping the intention to invest in environmentally friendly instruments. Furthermore, green investment intention has been shown to transform into actual behavior, indicating that the younger generation's commitment to sustainability can be realized through tangible investment actions. In addition, the role of financial influencers is significant only in moderating the relationship between attitude toward behavior and green investment intention, but not in the relationships involving subjective norms, perceived behavioral control, or financial literacy. This suggests that the influence of digital media and influencers is more effective in shaping positive attitudes, while green investment decisions remain largely driven by internal factors and immediate social environments. Accordingly, this study underscores the importance of strengthening financial literacy, fostering social norms that support sustainability, and enhancing young investors' confidence in accessing green investment instruments. For future research, additional external variables such as regulatory factors, institutional support, or environmental transition risks could be incorporated to provide a more comprehensive and practical understanding of green investment behavior.

REFERENCES

Ajzen, I. (2020). The theory of planned behavior: Reactions and reflections. *Psychology & Health, 35*(9), 1085–1103. https://doi.org/10.1080/08870446.2020.1793171

Aliedan, M., Abu Bakar, A. H., & Ahmad, M. S. (2023). Psychological factors influencing green investment intentions in the industrial sector: A TPB perspective. *Sustainability and Development Journal, 14*(3), 235–248. https://doi.org/10.1016/j.sd.2023.04.007

Aren, S., & Hamamcı, Z. (2024). Financial influencers and investment intentions: The role of credibility and trust. *Journal of Financial Literacy, 18*(1), 78–90. https://doi.org/10.1016/j.jfl.2023.11.004

Aulia, M., Afiff, A. Z., Hati, S. R. H., & Gayatri, G. (2024). Consumers' sustainable investing: A systematic literature review and research agenda. *Cleaner and Responsible Consumption, 14*.

Khan, M. A., Ali, F., & Siddiqui, S. (2021). Green investment behavior among younger demographics: A study on financial sustainability. *Journal of Business and Sustainability, 19*(2), 134–145. https://doi.org/10.1016/j.jbs.2021.02.005

Lee, C. M., Lee, H. W., & Kim, D. Y. (2022). Incorporating religion into the Theory of Planned Behavior model: Implications for sustainable financial decisions. *Journal of Behavioral Finance, 23*(4), 340–354. https://doi.org/10.1080/15427560.2022.2058312

Modeling The Influence of Green Investment Intention on Investment Behavior: An Extended Theory of Planned Behavior Approach

14622

Nguyen, T. T., & Tran, M. T. (2022). Cognitive and social factors in green investment decisions: A holistic model. *International Journal of Environmental Economics, 11*(2), 101–112. https://doi.org/10.1016/j.ijeeco.2022.01.006

Nilasari, P. D., & Fitriyah, F. (2024). Determinants of Generation Z green investment interest: The role of social media platforms as moderating variables. *Indonesian Journal of Social and Environmental Issues, 5*(3), 306–317. https://doi.org/10.47540/ijsei.v5i3.1736

Nugraha, B. A., & Rahadi, R. A. (2021). Analysis of young generations toward stock investment intention: A preliminary study in an emerging market. *Journal of Accounting and Investment, 22*(1), 80–103. https://doi.org/10.18196/jai.v22i1.9606

Paetzold, F., & Busch, T. (2014). Unleashing the powerful few: Sustainable investing behaviour of wealthy private investors. *Organization and Environment, 27*(4), 347–367. https://doi.org/10.1177/1086026614555991

Pandurugan, V., & Al Shammakhi, B. N. S. (2024). Modelling the Theory of Planned Behaviour to evaluate the investment intention of Generation Z in the speculative market: Stocks, forex and cryptocurrencies. *Arab Gulf Journal of Scientific Research*. https://doi.org/10.1108/AGJSR-07-2023-0319

Pašiušienė, I., Podviezko, A., Malakaitė, D., Žarskienė, L., Liučvaitienė, A., & Martišienė, R. (2024). Exploring Generation Z's investment patterns and attitudes towards greenness. *Sustainability, 16*(1). https://doi.org/10.3390/su16010352

Pirani, S. A., & Patil, R. (2024). Extending TPB framework: Investigating environmental and social influences on sustainable investment intention (Vol. 4). http://jier.org

Priyantoro, P., & Prasetyo, P. (2024). The influence of attitudes, subjective norms, and behavioral control on the intention to invest in green instruments (among East Java stock investors). *Management Studies and Entrepreneurship Journal, 5*(6), 88–96. http://journal.yrpipku.com/index.php/msej

Salama, A., & Zhang, L. (2023). Religious commitment as a moderating factor in the Theory of Planned Behavior: A study of green investment. *Journal of Sustainable Finance and Investment, 24*(3), 213–225. https://doi.org/10.1016/j.jsfi.2023.02.005

Suci Martaningrat, N. W., & Kurniawan, Y. (2024). The impact of financial influencers, social influencers, and FOMO economy on the decision-making of investment on Millennial Generation and Gen Z of Indonesia. *Journal of Ecohumanism, 3*(3), 1319–1335. https://doi.org/10.62754/joe.v3i3.3604

Tan, Y., & Wang, X. (2022). The impact of digital media on financial decision-making in the context of sustainability. *Journal of Digital Finance, 9*(1), 67–78. https://doi.org/10.1016/j.jdf.2022.06.001