

## Documents

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**Factors influencing intention to invest in Shariah-compliant social impact bonds in Malaysia**

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**Abstract**

Purpose: The purpose of the paper is twofold. Firstly, this study aims to investigate the factors influencing stakeholders' intention to invest in Shariah-compliant social impact bonds (SC SIBs) in Malaysia. Secondly, this study compares the differences in the perception of different stakeholders on the importance of the factors. Design/methodology/approach: Using the extended theory of planned behaviour, the study undertakes a questionnaire survey on licensed capital market investors and individuals involved in the development of the financial market (developers). A total of 260 complete and valid responses were obtained from the survey. Multiple regression and Mann–Whitney tests were carried out to achieve the two objectives, respectively. Findings: The results reveal that attitude ( $\beta = 0.447$ ,  $p < 0.01$ ), subjective norm (SN) ( $\beta = 0.255$ ,  $p < 0.01$ ) and moral norm (MN) ( $\beta = 0.163$ ,  $p < 0.01$ ) are significantly positive predictors of intention to invest in SC SIBs. In terms of the differences in the perceptions of the two parties, the results show that the factors have more effect towards developers than investors. Originality/value: The empirical evidence from this study on the factors that influence stakeholders' participation in SC SIBs is useful to the policymakers and interested parties in taking the next steps to develop, implement and promote SC SIBs to stakeholders in Malaysia. Fund managers can use the study's insights to promote positive attitudes, SNs and MNs towards SC SIBs, especially targeting developers who are more influenced by these factors. More importantly, the results indicate a need for different strategies to influence the stakeholder investment behaviour of SC SIB in Malaysia to ensure that it is sustainable and viable in the long run. © 2023, Emerald Publishing Limited.

**Author Keywords**

Investment intention; Moral norm; Perceived behavioural control; Social impact bond (SIB); Subjective norm

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