

The Influence of Financial Self-Efficacy, Risk Perception, and Herding on Gold Investment Decisions among Generation Z in Bandung City

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Abstract: *The increasing accessibility of digital gold investment has encouraged greater participation among Generation Z; however, investment decisions within this group are not solely determined by financial considerations but are also influenced by psychological and social factors. Previous studies have shown inconsistent findings regarding the influence of financial self-efficacy, risk perception, and herding behavior on investment decisions, indicating the need for further empirical investigation, particularly in the context of gold investment as a sharia-compliant financial instrument. This study aims to examine the influence of financial self-efficacy, risk perception, and herding behavior on gold investment decisions among Generation Z in Bandung City. This research employed a quantitative explanatory approach using a cross-sectional survey method. Data were collected from 137 Generation Z respondents selected through purposive sampling using a five-point Likert-scale questionnaire. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4, supported by a simultaneous F-test using IBM SPSS Statistics. The results indicate that financial self-efficacy, risk perception, and herding behavior have a positive and significant influence on gold investment decisions. Among these variables, herding behavior represents the strongest predictor, followed by risk perception and financial self-efficacy. The structural model shows that the three variables simultaneously explain 59.1% of the variation in gold investment decisions. These findings indicate that Generation Z's gold investment decisions are shaped by a combination of personal financial confidence, risk evaluation, and social influences within the digital investment environment. The study highlights the importance of strengthening financial literacy, providing credible investment information, and promoting responsible investment behavior in accordance with sharia principles to encourage more rational and ethical gold investment decisions.*

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Introduction

Gold has long been a strategic investment instrument as a safe haven, and its role has strengthened amidst growing global economic uncertainty. Over the past five years, global gold prices have shown a significant upward trend, as investors increasingly favor assets that preserve wealth. The LBMA Gold Demand Trends Full Year 2024 report shows that the LBMA gold price recorded 40 new record highs throughout 2024, with an average annual price reaching USD 2,386 per troy ounce, a 23% increase compared to the previous year, resulting in an all-time high of USD 382 billion in global gold demand (World Gold Council, 2025). At the same time, total global gold investment demand increased 25% to 1,180 tonnes, supported by recovering inflows from gold ETFs, strong demand for bullion and coins, and central bank purchases that have exceeded 1,000 tonnes for three consecutive years. This trend continues in 2025 when gold prices again surge by almost 25% in the first half of the year and are projected to increase by around 35% annually due to the impact of increasing geopolitical tensions, the weakening of the US dollar, and changes in the structure of global foreign exchange reserves that are increasingly moving towards non-dollar assets (World Bank, 2025).

This global phenomenon is also reflected in the development of gold investment in Indonesia, which has experienced very rapid growth, especially since the development of digital-based gold investment services. The World Gold Council (2025) noted increasing global gold demand followed by a surge in retail gold transactions in Indonesia through various digital platforms. The value of digital gold transactions has even exceeded IDR 20 trillion by April 2025 and is projected to reach IDR 70 trillion by the end of the year, a sharp increase compared to IDR 41 trillion in the previous year (Media Keuangan, 2025). From an institutional perspective, PT Pegadaian recorded a total gold business under management of 147.8 tons in February 2026 with a value of Bullion Business Activities reaching IDR 102 trillion (Pasardana, 2026), while the Financial Services Authority (OJK) strengthened the gold investment ecosystem through OJK Regulation Number 17 of 2024 concerning the Implementation of Bullion Business Activities. In line with these developments, Antam's gold price also experienced an increase of around 182% during the period from January 2021 to May 2026, demonstrating that gold is increasingly viewed as a primary investment instrument as well as a hedging asset amidst dynamic economic conditions.

Behind the growth of gold investment, investment decisions are not only determined by economic factors but also influenced by various psychological aspects, as explained in the behavioral finance perspective. Investors do not always make rational decisions because they are influenced by self-confidence in financial management, perception of risk, and the tendency to follow the behavior of other investors. Financial self-efficacy is a crucial factor reflecting an individual's confidence in their ability to make financial decisions. Therefore, individuals with high levels of financial self-efficacy tend to be more confident in analyzing the market and managing investment risks (Al-Abyadh & Abdel Azeem, 2022). However, previous research has shown inconsistencies. Nurjaman and Hafni (2024) found that financial self-efficacy has a positive effect on investment decisions, while Sunarko and Sutrisno (2025) found that the effect was negative and insignificant.

In addition to financial self-efficacy, risk perception and herding are also psychological factors that potentially influence gold investment decisions. Research by Ramadhianto et al. (2025) and Hafshah and Abrianto (2025) showed that risk perception significantly influences gold investment interest, while Shafira et al. (2026) and Johan and Azariani (2025) found the effect to be negative and insignificant on investment decisions. On the other hand, herding behavior is increasingly relevant in the digital era when investors easily obtain information and are encouraged to follow the majority's decisions through social media and investment communities. Syukur et al. (2025) demonstrated that herding positively



influences investment decisions, while Praditha et al. (2024) concluded that the effect was insignificant. The differences in the research results indicate that the relationship between psychological factors and gold investment decisions still requires more in-depth empirical testing, especially for Generation Z, which is the fastest-growing investor group in Indonesia and has different investment behavior characteristics compared to previous generations.

Based on this phenomenon, This study analyzes the partial and simultaneous influence of financial self-efficacy, risk perception, and herding on gold investment decisions among Generation Z in Bandung City. It contributes to the limited behavioral finance literature on gold investment by providing empirical evidence on the psychological factors shaping such decisions, with its novelty lying in the simultaneous testing of these three variables among Generation Z as an increasingly active digital gold investor group.

Research methods

This study employed a quantitative approach with an explanatory research design to examine the causal relationships between financial self-efficacy, risk perception, herding, and gold investment decisions among Generation Z in Bandung City. Data were collected through a cross-sectional survey using an online questionnaire distributed via Google Forms to respondents who met the research criteria: residing in Bandung City, born between 1997 and 2009, and having experience investing in physical, savings-based, or digital gold. Respondents were selected using a non-probability, purposive sampling technique, following Hair et al. (2022) guideline of a minimum sample size of ten times the number of indicators (12 indicators, yielding a minimum of 120 respondents).

The research instrument was a structured questionnaire measuring each variable's indicators on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree), supplemented by secondary data from journals, books, and institutional publications to support the theoretical framework and discussion. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4, encompassing measurement model evaluation (convergent and discriminant validity, reliability), structural model evaluation (R^2 , f^2 , Q^2), and hypothesis testing through bootstrapping. As a complementary technique, a simultaneous F-test was conducted using IBM SPSS Statistics to confirm the joint significance of the three independent variables on gold investment decisions.

Results and Discussion

Respondent Characteristics

Table 1. Respondent Characteristics (n = 137)

Characteristic	Category	Frequency	Percentage (%)
Gender	Man	50	36.5%
	Woman	87	63.5%
Age	17–20 years	18	13.1%
	21–24 years	75	54.7%
	25–29 years	44	32.1%
Status	Students	49	35.8%
	Private Employees/Workers	48	35.0%
	Freelancer/Entrepreneur	18	13.1%
	Other	22	16.1%
Income	< Rp1,000,000	22	16.1%
	Rp1,000,000–Rp3,000,000	58	42.3%
	Rp3,000,000–Rp5,000,000	36	26.3%
	> Rp5,000,000	19	13.9%
	No answer	2	1.5%
Type of Gold Investment	Physical Gold	65	47.4%
	Digital Gold	31	22.6%

	Gold Savings/Installments	31	22.6%
	More than one type	10	7.3%
Length of Gold Investment	< 1 year	41	29.9%
	1–3 years	47	34.3%
	> 3 years	49	35.8%

Source: Data processed by the author, 2026

The respondent profile shows that the majority were female (63.5%), aged 21–24 years (54.7%), and worked as students (35.8%) or private employees (35.0%). Most respondents had a monthly income of Rp1,000,000–Rp3,000,000 (42.3%), primarily invested in physical gold (47.4%), and had held gold investments for more than 3 years (35.8%), followed closely by those with 1–3 years of experience (34.3%). Overall, the respondents represent young, early-career Generation Z investors with varied income levels, investment types, and investment experience, providing a diverse basis for examining their gold investment decisions.

Descriptive Analysis

To measure the level of measurement results for each variable, five categories are used: very high, high, medium, low, and very low. The highest possible score is 5 and the lowest is 1. Thus, the intervals obtained are as follows:

$$i = \frac{\text{Nilai Tertinggi} - \text{Nilai Terendah}}{\text{Jumlah Kategori}}$$

$$i = \frac{5 - 1}{5}$$

$$i = \frac{4}{5}$$

$$i = 0,80$$

Based on the calculation results, the category values obtained are as follows:

Table 7. Assessment of Respondents' Answer Categories

Category	Interval
Very Low	$1 \leq X < 1.80$
Low	$1.80 \leq X < 2.60$
Currently	$2.60 \leq X < 3.40$
Tall	$3.40 \leq X < 4.20$
Very high	$4.20 \leq X \leq 5$

Source: Data processed by the author, 2026

1. Financial Self-Efficacy

Based on the descriptive analysis, the Financial Self-Efficacy variable obtained an average score of 4.10, which is considered high. This result indicates that respondents have a high level of confidence in their ability to manage their finances and make gold investment decisions.

2. Risk Perception

Based on the descriptive analysis, the Risk Perception variable obtained an average score of 3.84, which is considered high. This result indicates that respondents have a good risk perception of gold investment and are aware of the risks inherent in investment activities.

Overall, these results indicate that respondents have a high awareness of the risks of gold investment, so that the risk aspect is an important consideration in determining investment decisions.

3. Herding

Based on the descriptive analysis, the Herding variable obtained an average value of 3.65, which is considered high. This result indicates that respondents still tend to follow the information or decisions made by other investors when investing in gold, although this tendency is not particularly dominant.

Overall, these results indicate that herding behavior is still present among respondents. Respondents tend to consider information, trends, and the decisions of the majority of investors when

making gold investment decisions, especially when information is limited. However, this tendency remains quite high, indicating that investment decisions are not solely based on the behavior of other investors but also take into account personal judgment.

4. Gold Investment Decisions

Based on the descriptive analysis, the Gold Investment Decision variable obtained an average score of 4.05, which is considered high. This result indicates that respondents tend to be able to make sound gold investment decisions based on rational considerations.

Meanwhile, two indicators had the lowest average scores: "I chose gold investment because it aligns with my financial needs and goals" and "I make rational considerations before purchasing or adding to my gold investment," each with an average score of 4.04. Despite having the lowest average scores compared to the other indicators, both indicators still indicate that the majority of respondents agree that gold investment decisions are made based on their alignment with financial goals and through rational consideration.

Overall, the analysis results show that respondents have good abilities in making gold investment decisions by considering financial goals, risks, and investment conditions rationally.

Measurement Model Evaluation Results (Outer Model)

1. Convergent Validity

Table 11. Loading Factor Results

Variables	Indicator	Outer loading	Decision
<i>Financial Self-Efficacy</i>	FSE1	0.825	Valid
	FSE2	0.862	
	FSE3	0.709	
<i>Risk Perception</i>	RP1	0.821	Valid
	RP2	0.851	
	RP3	0.829	
<i>Herding</i>	H1	0.906	Valid
	H2	0.884	
	H3	0.861	
<i>Gold Investment Decisions</i>	KIE1	0.840	Valid
	IEC2	0.913	
	IEC3	0.913	

Source: Data processed by the author, 2026

Based on the table above, it can be seen that all indicators have a Loading Factor (LF) value greater than 0.70. Therefore, these indicator items exceed the minimum LF standard of ≥ 0.70 , and therefore the LF value is considered to meet the accepted criteria. Therefore, all research indicators are valid for use.

2. Average Variance Extracted (AVE)

Table 11. Average Variance Extracted (AVE) Test Results

Variables	AVE
<i>Financial Self-Efficacy</i>	0.642
<i>Risk Perception</i>	0.781
<i>Herding</i>	0.790
Gold Investment Decisions	0.695

Source: Data processed by the author, 2026

Based on the test results in Table 11, it can be concluded that all research variables are valid because they have an Average Variance Extracted (AVE) value > 0.50 . Therefore, the measurement model (outer model) has met the requirements for convergent validity, so the indicators used are worthy

of being maintained and can be used in the next analysis stage, namely testing the structural model (inner model) and hypothesis testing.

3. Cronbach's Alpha

Table 12. Cronbach's Alpha Test Results

Variables	Cronbach Alpha	Decision
<i>Financial Self-Efficacy</i>	0.717	Reliable
<i>Risk Perception</i>	0.781	Reliable
<i>Herding</i>	0.860	Reliable
<i>Gold Investment Decisions</i>	0.867	Reliable

Source: Data processed by the author, 2026

Based on the reliability test results in Table 4.10, all research variables, namely Financial Self-Efficacy (0.717), Risk Perception (0.781), Herding (0.860), and Gold Investment Decision (0.867), have Cronbach's Alpha values above the minimum limit of 0.70. Therefore, all research instruments are declared reliable and can be used as data collection tools in this study.

4. Collinearity Statistics (Variance Inflation Factor/VIF)

Table 13. VIF Test Results

Variables	VIF
<i>Financial Self-Efficacy</i> -> Gold Investment Decisions	1,216
<i>Risk Perception</i> -> Gold Investment Decisions	1,066
<i>Herding</i> -> Gold Investment Decisions	1,180

Source: Data processed by the author, 2026

Based on Table 13, the VIF value obtained for the Financial Self-Efficacy variable is 1.216, the Risk Perception variable is 1.066, and the Herding variable is 1.180 for the Gold Investment Decision variable.

All VIF values for each variable were below the maximum limit of 5.00, indicating no collinearity or multicollinearity issues in the research structural model. A VIF value approaching 1 also indicates a relatively low correlation between the independent variables, suggesting that each variable contributes differently to explaining the Gold Investment Decision variable.

5. Discriminant Validity

Table 14. Results of Fornell Larcker Criteria Calculation

Construct	FSE	H	IEC	RP
FSE	0.801			
H	0.383	0.884		
IEC	0.530	0.609	0.889	
RP	0.236	0.163	0.492	0.834

Source: Data processed by the author, 2026

Based on Table 14, the square root of the AVE value for the variables Financial Self-Efficacy (0.801), Herding (0.884), Gold Investment Decision (0.889), and Risk Perception (0.834) are each greater than their correlation values with other variables. These results indicate that all constructs are able to differentiate themselves well from other constructs. Thus, it can be concluded that all variables in the study have met the Fornell-Larcker Criterion criteria, thus having good discriminant validity. This indicates that each variable measures a different construct and is suitable for use in structural model analysis (inner model).

In addition to the Fornell-Larcker method, discriminant validity testing was also conducted using the Heterotrait-Monotrait Ratio (HTMT) approach to ensure clear distinctions between research

constructs. Based on the results of data processing using SEM-PLS, the following table presents the HTMT test results for each research variable:

Table 15. HTMT Test Results

Construct	FSE	H	IEC	RP
FSE				
H	0.478			
IEC	0.670	0.700		
RP	0.317	0.194	0.595	

Source: Data processed by the author, 2026

Based on Table 15, all HTMT values are below the 0.90 threshold, indicating that each construct has good discriminant validity. This indicates that each construct in the study is capable of measuring a different concept and that there is no significant overlap between constructs.

Structural Model Evaluation Results (Inner Model)

1. Coefficient of Determination (R²)

Table 16. R Square Table

Variables	R-square	R-square adjusted
Gold Investment Decisions	0.591	0.582

Source: Data processed by the author, 2026

Based on Table 16, the R-Square value for the Gold Investment Decision variable is 0.591 and the Adjusted R-Square value is 0.582. The R-Square value of 0.591 indicates that the Financial Self-Efficacy, Risk Perception, and Herding variables together are able to explain 59.1% of the variation in Gold Investment Decisions, while the remaining 40.9% is explained by other variables outside the research model. Meanwhile, the Adjusted R-Square value of 0.582 indicates that after adjusting for the number of variables and research samples, the model's ability to explain variations in Gold Investment Decisions is 58.2%.

Thus, it can be concluded that the research model has moderate explanatory power, so that the variables Financial Self-Efficacy, Risk Perception, and Herding provide a significant contribution in explaining Gold Investment Decisions.

2. Effect Size (f²)

Table 17. F Square Table

	f-square	Criteria
FSE -> KIE	0.154	Currently
RP -> KIE	0.287	Currently
H -> KIE	0.411	Big

Source: Data processed by the author, 2026

Based on Table 17, the Financial Self-Efficacy (FSE) variable on Gold Investment Decisions (KIE) has an f² value of 0.154, making it fall into the moderate category. The Risk Perception (RP) variable on Gold Investment Decisions (KIE) has an f² value of 0.287, which is also in the moderate category, but its value is closer to the large category. Meanwhile, the Herding (H) variable on Gold Investment Decisions (KIE) has an f² value of 0.411, making it fall into the large category.

Thus, it can be concluded that herding has the greatest influence on gold investment decisions, followed by risk perception and financial self-efficacy, both of which have moderate influence. These results indicate that herding behavior is the variable that makes the strongest contribution to explaining gold investment decisions in this study.

3. Predictive Relevance (Q²)

Table 18. Q Square Table

Variables	Q ² Predict
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Gold Investment Decisions

0.541

Source: Data processed by the author, 2026

Based on Table 18, the Q-Square (Q^2) value for the Gold Investment Decision variable is 0.541. This value is greater than 0, indicating that the research model has good predictive relevance. Therefore, it can be concluded that the variables Financial Self-Efficacy, Risk Perception, and Herding have good ability to predict Gold Investment Decisions. The Q^2 value of 0.541 also indicates that the model has strong predictive ability, making it suitable for hypothesis testing and further analysis.

Simultaneous F-Test (SPSS)

In addition to bootstrapping in SmartPLS, a simultaneous F-test was performed in IBM SPSS Statistics to confirm whether financial self-efficacy, risk perception, and herding jointly have a significant effect on gold investment decisions.

Table 19. Simultaneous F-Test Results

F-count	F-table	Sig.	Conclusion
64.144	2.673	0.000	Significant

Source: Data processed by the author, 2026

The F-count of 64.144 is greater than the F-table value of 2.673 ($df_1 = 3$, $df_2 = 133$, $\alpha = 0.05$), with a significance value of 0.000 (< 0.05). Thus, H4 is accepted, indicating that financial self-efficacy, risk perception, and herding simultaneously have a significant effect on gold investment decisions among Generation Z in Bandung City. This result reinforces the partial hypothesis testing (H1–H3) and is consistent with the R-Square value of 0.591 from the SmartPLS structural model evaluation, confirming that the three variables jointly explain 59.1% of the variation in gold investment decisions, while the remaining 40.9% is explained by other factors outside the model.

Hypothesis Testing (Bootstrapping)

Table 19. Hypothesis Test Results

	Variables	Path Coefficients	T statistics	P values	Conclusion
H1	Financial Self-Efficacy -> Investment Decisions	0.276	3.110	0.002	Accepted
H2	Risk Perception -> Investment Decisions	0.354	3,924	0.000	Accepted
H3	Herding -> Investment Decisions	0.445	7,199	0.000	Accepted

Source: Data processed by the author, 2026

a. The Influence of Financial Self-Efficacy on Gold Investment Decisions

Based on the bootstrapping test results, the Financial self-efficacy variable has a path coefficient of 0.276, a t-statistic of 3.110, and a p-value of 0.002. The t-statistic value is > 1.96 and the p-value is < 0.05 , so H1 is accepted. These results indicate that Financial self-efficacy has a positive and significant effect on Gold Investment Decisions. This means that the higher a person's confidence in their ability to manage finances and make financial decisions, the higher their tendency to make decisions to invest in gold.

b. The Influence of Risk Perception on Gold Investment Decisions

Based on the bootstrapping test results, the Risk Perception variable obtained a path coefficient value of 0.354, a t-statistic of 3.924, and a p-value of 0.000. These values meet the test criteria, namely t-statistics > 1.96 and p-values < 0.05 , so H2 is accepted. These results indicate that Risk Perception has a positive and significant effect on Gold Investment Decisions. This means that the better the respondents' perception of investment risk, the better the decisions taken in investing in gold because respondents tend to consider risks before making their investment choices.

c. The Influence of Herding on Gold Investment Decisions

Based on the bootstrapping test results, the Herding variable has a path coefficient value of 0.445, a t-statistic of 7.199, and a p-value of 0.000. These values indicate that the t-statistics are > 1.96 and p-values < 0.05 , so H3 is accepted. These results prove that Herding has a positive and significant effect on Gold Investment Decisions. This means that the higher the tendency of

respondents to follow information, recommendations, or investment decisions made by others, the higher the tendency of respondents to make decisions to invest in gold. Compared to other variables, Herding has the highest t-statistics value (7.199), thus indicating the strongest influence on gold investment decisions in this study.

Discussion

The Influence of Financial Self-Efficacy on Gold Investment Decisions

The results of the first hypothesis test (H1) indicate that financial self-efficacy has a positive and significant effect on gold investment decisions. This is indicated by a path coefficient value of 0.276, a t-statistic of 3.110 (>1.96), and a p-value of 0.002 (<0.05), thus H1 is accepted. The effect size (f^2) value of 0.154 indicates that the influence of financial self-efficacy is in the moderate category. These findings indicate that the higher the confidence of Generation Z in Bandung City in their ability to manage finances, make financial decisions, and achieve investment goals, the greater their tendency to decide to invest in gold.

This finding aligns with the Theory of Planned Behavior (Ajzen, 1991), where financial self-efficacy reflects perceived behavioral control—the higher a person's financial confidence, the greater their ability to translate investment intentions into concrete decisions. This is also consistent with Bandura's self-efficacy theory, which holds that positive self-beliefs improve decision-making quality, and with Behavioral Finance Theory, which explains that investment decisions are shaped not only by economic factors but also by individuals' psychological beliefs about their abilities (Al-Abyadh & Abdel Azeem, 2022).

The results of this study are consistent with the findings Nurjaman & Hafni (2024), Johan & Azariani (2025), Bhakti & Haryati (2025), as well as Marheni et al. (2025), which shows that financial self-efficacy has a positive influence on investment decisions and interest.

The Influence of Risk Perception on Gold Investment Decisions

The results of the second hypothesis test (H2) indicate that risk perception has a positive and significant effect on gold investment decisions, with a path coefficient of 0.354, a t-statistic of 3.924, and a p-value of 0.000, thus accepting H2. The effect size (f^2) of 0.287 indicates a moderate contribution but approaching the large category. These findings indicate that the higher the level of caution respondents demonstrate in assessing potential losses, uncertainty of outcomes, and risks before investing, the more confident the gold investment decision they make.

This positive influence aligns with the descriptive analysis of the gold investment decision variable, where respondents still consider risk even though gold is seen as a relatively safe instrument, with an average score of 4.02, which is considered high. This indicates that investors' risk evaluation process actually leads them to believe that gold is the right investment choice to protect their wealth amid economic uncertainty, as described in Capital Market Theory (Habibah et al., 2025).

This finding also aligns with the attitude toward behavior component of the Theory of Planned Behavior, where an individual's evaluation of the consequences of a behavior shapes an attitude that ultimately drives the formation of intentions and decisions to act. When investors perceive the risks of gold investments as relatively manageable compared to other instruments, this positive attitude strengthens the individual's tendency to implement the investment decision. This perspective is further reinforced by Behavioral Finance Theory, which states that subjective risk perceptions contribute to investor behavior in conditions of market uncertainty (Risman et al., 2021).

The Influence of Herding on Gold Investment Decisions

The results of the third hypothesis test (H3) show that herding has a positive and significant effect on gold investment decisions, with a path coefficient value of 0.445, a t-statistic of 7.199, and a p-value of 0.000, thus H3 is accepted. The highest t-statistic value compared to other independent variables and an effect size (f^2) of 0.411 indicate that herding is the variable that has the most dominant influence on gold investment decisions among Generation Z in Bandung City. This finding indicates that the greater the tendency of individuals to follow the decisions, trends, or behavior of the majority of investors, the higher their tendency to invest in gold.

These findings align with the Theory of Planned Behavior (TPB), particularly the subjective norm component, which explains that social pressure and environmental influences can shape a person's intentions and decisions to act (Ajzen, 1991). In the context of this study, herding behavior reflects the influence of social norms, where Generation Z tends to consider the opinions, trends, and actions of other investors, especially those obtained through social media and digital platforms, before making investment decisions. These results also support Behavioral Finance Theory, which states that investment decisions are not always rational but can be influenced by behavioral biases, including the tendency to follow the majority to reduce uncertainty (Risman et al., 2021), and is supported by prior studies confirming the significant role of herding in Generation Z's investment decisions (Syukur et al. (2025); Nguyen et al. (2025)).

The Simultaneous Influence of Financial Self-Efficacy, Risk Perception, and Herding on Gold Investment Decisions

The results of the structural model evaluation show an R-Square value of 0.591 and an Adjusted R-Square of 0.582, which means that financial self-efficacy, risk perception, and herding can simultaneously explain 59.1% of the variation in gold investment decisions among Generation Z in Bandung City, while the remaining 40.9% is influenced by other variables outside the research model. This value is included in the moderate category according to Hair et al. (2022), indicating that the three independent variables have a strong ability to explain gold investment decisions. This result is also supported by a Predictive Relevance (Q^2) value of 0.541, indicating that the model has good predictive ability for gold investment decision variables. With the acceptance of H1, H2, and H3 and supported by a moderate R^2 value, H4 states that financial self-efficacy, risk perception, and herding simultaneously have a significant influence on gold investment decisions.

These findings reinforce the relevance of the Theory of Planned Behavior, as financial self-efficacy, risk perception, and herding represent perceived behavioral control, attitude, and subjective norm, respectively, which jointly shape investment intentions and decisions. This also supports Behavioral Finance Theory, which holds that investment decisions are driven by psychological and social factors rather than purely rational economic considerations, consistent with prior studies on the combined influence of these behavioral factors (Ramadhianto et al. (2025)).

Overall, herding was the most influential variable with an effect size (f^2) of 0.411, followed by risk perception at 0.287 and financial self-efficacy at 0.154. These results indicate that Generation Z's gold investment decisions in Bandung City are more influenced by social dynamics and the digital investment environment, although individual psychological factors also make a significant contribution. This condition aligns with the characteristics of Generation Z, who actively utilize social media and digital investment platforms as sources of information and references in making investment decisions.

Conclusion

Financial self-efficacy, risk perception, and herding each exert a positive and significant influence on gold investment decisions among Generation Z in Bandung City, with herding emerging as the most dominant factor, followed by risk perception and financial self-efficacy. Collectively, these three variables account for a substantial share of the variation in gold investment decisions, confirming the relevance of the Theory of Planned Behavior and Behavioral Finance Theory in explaining Generation Z's investment behavior. These findings indicate that gold investment decisions among Generation Z are shaped not only by individual psychological confidence and risk awareness, but also by social influences circulating through digital media and investment communities, reflecting a blend of rational judgment and socially driven behavior. However, this study is limited by its cross-sectional design, purposive sampling technique, and geographic focus on Bandung City, so its findings should be interpreted with caution and cannot be broadly generalized.

Based on these conclusions, future researchers are encouraged to employ probability sampling or a longitudinal design across a wider range of regions, as well as to incorporate additional variables—such as financial literacy, fear of missing out, overconfidence, and social media influence—to build a more comprehensive understanding of gold investment behavior. For financial institutions and gold

investment platform providers, these findings highlight the importance of strengthening financial education programs that build investor confidence and risk awareness, while also using digital platforms to counter the negative effects of herding by delivering accurate and transparent investment information. Regulators, such as the Financial Services Authority (OJK), are advised to support these efforts through investor protection standards and credible digital literacy campaigns, so that Generation Z can make more rational and sustainable gold investment decisions.

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