Factors Influencing the Investment Decisions of Omani Individuals towards vision 2040

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Abstract:

This study intends to investigate the relationship between financial literacy and the investment decisions made by Omani employees by examining the mediating roles of financial self-efficacy and financial risk tolerance, which are considered to be significant predictors of successful investment decisions. A survey was conducted to ascertain the respondents' fundamental perspective. A total of 302 completed questionnaires were used for analysis. To assess the measurement and structural models of the investigation, partial least squares structural equation modeling (PLS-SEM) was employed. The investment decisions of Omani employees are influenced by multiple variables that have been identified and examined. The conclusion identifies the key factors influencing Omani employees. Remarkably, financial literacy both directly and indirectly predicts the investment decisions made by Omani employees through financial risk tolerance. Financial risk tolerance and financial self-efficacy, the mediating variables, predict the investing decisions. Furthermore, financial self-efficacy does not play a mediation function between financial literacy and investing decisions; instead, financial risk tolerance does. This study makes a distinctive theoretical contribution by combining two theories—the risk-taking attitude of Irwin (1993) and the social cognitive theory of Bandura (1977)—to create a comprehensive model to predict the investment decisions of Omani employees. It is anticipated that it would serve as an informative tool for the capital market and banking industry in raising Omani people's level of awareness and comprehension regarding investing choices.

Keywords:

Financial Literacy, Financial Self Efficacy, Financial Risk Tolerance, PLS-SEM, Oman.