

Integrating Behavioral Bias, Religiosity, Maqasid al-Syariah, and ESG Preference: Toward a Unified Framework of Muslim Investor Behavior

Agung Budi Sulistiyo¹, Novi Wulandari², Imamatin Listya Putri³,
Muhammad Miqdad⁴, Muhammad Dhito Fakhurrozi⁵

^{1,2,3,4,5}Department of Accounting, Jember University, Jember, Indonesia

Corresponding Author: Agung Budi Sulistiyo

DOI: <https://doi.org/10.52403/ijrr.20260445>

ABSTRACT

Recent developments in behavioral finance have improved understanding of investor decision-making beyond rational choice assumptions; however, existing behavioral models remain insufficient to explain investment behavior in Islamic financial contexts where decisions are shaped not only by cognitive bias but also by religious commitment and ethical objectives. Although prior studies have examined religiosity, Shariah compliance awareness, behavioral bias, and sustainability-oriented investment preference, these determinants are typically analyzed in isolation, resulting in a fragmented explanation of Muslim investor behavior. Addressing this limitation, this study develops a unified conceptual Islamic behavioral finance framework that integrates behavioral bias theory, religiosity, Maqasid al-Shariah orientation, and environmental, social, and governance (ESG) investment preference into a multidimensional explanation of value-based investment decision-making. Drawing on integrative literature analysis across behavioral finance, Islamic economic theory, and sustainable investment research, the proposed framework conceptualizes Muslim investor behavior as the outcome of interaction between psychological tendencies and normative ethical

commitments. In particular, the framework positions religiosity as an internal behavioral regulator, operationalizes Maqasid al-Shariah as a higher-order ethical decision driver, and introduces ESG investment preference as a contemporary mechanism through which Islamic values are translated into sustainability-oriented financial participation.

The study contributes to the literature by extending behavioral finance beyond cognitive bias explanations toward a value-integrated decision-making structure that reflects the distinctive characteristics of Islamic investment behavior. It further advances Islamic finance research by transforming Maqasid al-Shariah from a normative objective into an analytical behavioral construct and by bridging Islamic ethical investment theory with the global ESG investment discourse. The proposed framework provides a theoretically grounded foundation for future empirical testing of Islamic behavioral finance models in emerging sustainability-oriented financial environments.

Keywords: Islamic behavioral finance; Behavioral bias; Maqasid al-Shariah orientation; Religiosity; ESG investment preference

1. INTRODUCTION

Behavioral finance has become an important framework for understanding investor decision-making beyond the assumptions of perfect rationality embedded in classical financial theory. A substantial body of literature has demonstrated that investors frequently rely on heuristics, emotional responses, and social influences when making financial decisions, resulting in systematic deviations from expected utility models (Musse et al., 2015). More recently, the scope of behavioral finance has expanded toward ethical and value-based investment contexts, including Islamic finance, where financial decisions are shaped not only by market signals but also by religious norms and moral accountability (Shamsudheen et al., 2024). This development has encouraged the emergence of Islamic behavioral finance as a growing research area concerned with explaining how Muslim investors balance psychological tendencies with religious commitments in shaping their investment behavior (Ramadhani et al., 2024).

Despite these advances, conventional behavioral finance frameworks remain insufficient for explaining Muslim investor decision-making. Existing models generally assume that investors are primarily motivated by utility maximization and risk–return optimization, even when behavioral biases are considered. However, Muslim investors operate within a normative system governed by Shariah principles that prohibit speculative uncertainty (*gharar*), interest-based transactions (*riba*), and unethical business activities. Consequently, investment behavior among Muslim investors reflects not only cognitive limitations but also religious obligations and ethical accountability, which are not adequately captured in conventional behavioral finance models (Mahdzan et al., 2017; Tahir & Brimble, 2011). This limitation suggests the need for a more context-sensitive behavioral framework capable of incorporating Islamic ethical

considerations into investor decision-making analysis.

In this regard, religiosity and Maqasid al-Shariah provide important explanatory dimensions for understanding Muslim investment behavior. Religiosity influences the degree to which investors internalize Islamic values when evaluating investment alternatives, including their preference for Shariah-compliant financial instruments over purely profit-oriented opportunities (Wijaya et al., 2024; Priyono et al., 2026). Meanwhile, Maqasid al-Shariah offers a higher-order ethical framework that directs economic activity toward the protection of faith, life, intellect, wealth, and social welfare (Hassan et al., 2021). From an investment perspective, this orientation extends decision criteria beyond individual financial gain toward broader considerations of *maslahah* and long-term societal benefit (Sheikh, 2025). Therefore, religiosity functions as an internal behavioral driver, while Maqasid al-Shariah provides the normative foundation for value-oriented financial decision-making.

At the same time, the increasing prominence of environmental, social, and governance (ESG) investment has introduced a contemporary dimension that is highly relevant but still underexplored within Islamic behavioral finance research. ESG principles share strong conceptual alignment with Islamic finance values, particularly in promoting accountability, transparency, social justice, and environmental responsibility (Agustin et al., 2023; Sairally, 2015). Empirical evidence suggests that Muslim investors are increasingly attentive to sustainability-related investment criteria and tend to favor financial instruments that reflect ethical and socially responsible characteristics (Katterbauer et al., 2022). However, despite the development of Islamic Sustainable and Responsible Investment (i-SRI) criteria as an attempt to align ESG principles with Shariah requirements, ESG preference has rarely been incorporated into behavioral models explaining Muslim investor decision-

making (Wahab et al., 2024). As a result, the interaction between Islamic ethical commitment and sustainability-oriented investment behavior remains insufficiently theorized.

More importantly, the existing Islamic behavioral finance literature remains theoretically fragmented and analytically under-integrated. Prior studies have largely examined religiosity, Shariah compliance awareness, behavioral bias, and ethical investment preference as independent explanatory factors rather than as interacting components within a unified behavioral decision framework (Ramadhani et al., 2024; Wijaya et al., 2024). In particular, although Maqasid al-Shariah has been widely acknowledged as a foundational objective of Islamic economic activity, it has rarely been operationalized as a behavioral construct within investor decision-making models (Hassan et al., 2021). Similarly, the convergence between Islamic finance principles and ESG-oriented investment remains insufficiently incorporated into Islamic behavioral finance theory (Agustin et al., 2023; Wahab et al., 2024). This fragmentation indicates the absence of an integrative conceptual architecture capable of explaining Muslim investor behavior in contemporary sustainability-oriented financial environments.

Addressing this gap, the present study proposes a conceptual Islamic behavioral finance framework that integrates behavioral bias theory, religiosity, Maqasid al-Shariah orientation, and ESG investment preference into a unified explanation of Muslim investor decision-making. By synthesizing cognitive, ethical, and sustainability-related determinants within a single framework, this study seeks to provide a more comprehensive understanding of value-based financial behavior in Islamic investment contexts.

This study contributes to the literature in three important ways. First, it extends behavioral finance theory by incorporating religious and ethical dimensions into

investor decision-making analysis in Islamic contexts. Second, it operationalizes Maqasid al-Shariah as a behavioral construct rather than merely a normative objective of Islamic economic activity. Third, it advances the emerging discourse on sustainable Islamic finance by integrating ESG investment preference into the behavioral logic of Muslim investors, thereby offering a theoretically grounded framework for explaining responsible investment behavior in contemporary Islamic financial markets.

2. LITERATURE REVIEW

Understanding Muslim investor behavior requires a multidimensional analytical framework that goes beyond conventional behavioral finance assumptions. Behavioral finance has demonstrated that investor decision-making is frequently influenced by cognitive limitations and psychological bias rather than purely rational evaluation processes (Musse et al., 2015). However, investment decisions in Islamic financial contexts are also shaped by religious commitment, ethical objectives, and sustainability considerations, which are not adequately captured within conventional behavioral models (Shamsudheen et al., 2024). Consequently, Muslim investment behavior cannot be interpreted solely through bias-driven decision frameworks or compliance-based screening approaches. Instead, a more comprehensive explanation requires integrating behavioral bias theory, religiosity, Maqasid al-Shariah orientation, and ESG investment preference into a unified conceptual structure capable of explaining the interaction between psychological tendencies and value-based financial motivations (Ramadhani et al., 2024).

Behavioral bias theory provides an important foundation for explaining how investors process information and evaluate risk under uncertainty. Biases such as overconfidence, loss aversion, and heuristic simplification influence the way investors interpret financial signals and make

portfolio choices (Mitra & Bhanawat, 2025). However, within Islamic financial environments, the influence of behavioral bias does not operate independently from normative constraints. Muslim investors are expected to align their investment decisions with Shariah principles that prohibit speculative uncertainty and unethical economic activities, thereby shaping how behavioral distortions influence investment judgments (Mahdzan et al., 2017). As a result, behavioral bias interacts with ethical awareness and religious discipline, producing decision patterns that differ from those predicted by conventional behavioral finance models (Tahir & Brimble, 2011). Religiosity plays a central role as an internal behavioral driver that shapes investor commitment to Shariah-compliant financial practices. Empirical evidence suggests that religiosity significantly influences financial decision-making among Muslim investors by encouraging alignment between investment choices and Islamic ethical values (Wijaya et al., 2024). Investors with stronger religiosity tend to prioritize halal investment alternatives and avoid financial instruments that contradict Islamic principles, even when such choices involve trade-offs in expected financial returns (Priyono et al., 2026). In this context, religiosity functions as a guiding mechanism that moderates the influence of behavioral bias by reinforcing ethical considerations within investment decision-making processes. Beyond religiosity, Maqasid al-Shariah provides a broader normative orientation that defines the purpose of financial activity within Islamic economic systems. Unlike compliance-based approaches that emphasize the permissibility of financial instruments, Maqasid al-Shariah introduces higher-order objectives related to justice, social welfare, and sustainability (Hassan et al., 2021). Investment decisions are therefore evaluated not only in terms of legality but also in terms of their contribution to collective well-being and long-term societal benefit (Sheikh, 2025).

This maqasid-oriented perspective expands the behavioral logic of Muslim investors from individual profit maximization toward socially responsible and ethically grounded financial participation.

At the same time, ESG investment preference represents the contemporary operational expression of value-based Islamic investing within modern financial markets. ESG principles translate ethical commitments into measurable investment considerations related to environmental responsibility, social accountability, and governance transparency, which are conceptually aligned with Islamic finance objectives (Sairally, 2015; Agustin et al., 2023). Empirical studies also suggest that Muslim investors increasingly demonstrate interest in sustainability-oriented investment instruments reflecting both ethical responsibility and long-term social impact (Katterbauer et al., 2022). Although Islamic Sustainable and Responsible Investment (i-SRI) criteria have been proposed as a mechanism to integrate ESG with Shariah principles, their behavioral implications remain insufficiently explored within Islamic behavioral finance research (Wahab et al., 2024).

Taken together, behavioral bias, religiosity, Maqasid al-Shariah orientation, and ESG investment preference form an integrated explanatory structure in which Muslim investor decision-making reflects the interaction between psychological tendencies and ethical commitments. Behavioral bias explains the cognitive limitations influencing decision processes (Mitra & Bhanawat, 2025), religiosity shapes the internalization of Islamic norms (Wijaya et al., 2024), Maqasid al-Shariah defines the ethical objectives of financial activity (Hassan et al., 2021), and ESG preference represents the practical manifestation of sustainability-oriented Islamic investment behavior (Wahab et al., 2024). The integration of these elements therefore provides a comprehensive conceptual framework for explaining how Muslim investors reconcile economic

motives, religious values, and social responsibility considerations when making financial decisions in contemporary Islamic financial markets.

3. MATERIALS & METHODS

3.1 Theoretical Positioning of the Framework

This study employs an integrative literature analysis approach to develop a unified conceptual framework of Islamic behavioral finance. The proposed framework contributes to the advancement of behavioral finance theory by extending its explanatory scope beyond conventional cognitive bias models toward a value-integrated decision-making structure. Traditional behavioral finance primarily interprets investor behavior as the outcome of psychological limitations such as heuristics, loss aversion, and overconfidence operating within a utility-maximization environment (Musse et al., 2015). While these explanations remain analytically important, they do not sufficiently capture investment behavior in contexts where decision-making is guided by normative ethical commitments and religious obligations. By incorporating religiosity and Maqasid al-Shariah orientation into the behavioral finance framework, the present study introduces a moral-cognitive dimension that explains how investors evaluate financial choices not only in terms of risk and return but also in relation to responsibility, compliance, and societal welfare (Hassan et al., 2021; Sheikh, 2025). Furthermore, the integration of ESG investment preference into the proposed model strengthens the relevance of behavioral finance within contemporary sustainability-oriented financial environments. ESG considerations translate ethical commitments into operational investment criteria that influence portfolio selection and long-term financial participation (Sairally, 2015; Agustin et al., 2023). In Islamic financial contexts, this alignment becomes particularly significant because ESG principles overlap with the

objectives of Maqasid al-Shariah in promoting justice, accountability, and social well-being. Therefore, the proposed framework does not merely adapt behavioral finance to Islamic investment settings but reconceptualizes investor decision-making as the interaction between cognitive bias, religious commitment, and sustainability-oriented ethical evaluation. This perspective contributes to the development of an integrative behavioral finance paradigm capable of explaining value-based investment behavior in emerging ethical financial systems.

3.2 Proposition Development

Investment decision-making in Islamic financial contexts reflects the interaction between psychological tendencies and normative ethical commitments that shape investor preferences beyond conventional risk–return considerations. While behavioral finance theory explains how cognitive bias influences investor judgment under uncertainty, Islamic behavioral finance introduces additional dimensions related to religiosity, Shariah compliance awareness, and maqasid-oriented ethical objectives that guide financial participation toward socially responsible outcomes. Consequently, Muslim investor behavior should be interpreted as the result of multiple interacting determinants rather than a single explanatory mechanism.

Behavioral bias represents an important determinant of investor decision-making because it influences how individuals interpret financial information, evaluate uncertainty, and respond to market signals. Biases such as overconfidence and loss aversion may lead investors to deviate from rational portfolio allocation strategies and rely instead on simplified heuristics when making investment choices (Musse et al., 2015; Mitra & Bhanawat, 2025). However, in Islamic investment environments, the effect of behavioral bias is filtered through ethical expectations that restrict speculative behavior and encourage responsible financial participation.

Religiosity further strengthens this normative framework by influencing the extent to which investors prioritize Shariah-compliant investment alternatives over purely profit-oriented opportunities. Empirical evidence suggests that stronger religiosity encourages investors to align financial behavior with Islamic ethical values and avoid investment instruments that contradict religious teachings (Wijaya et al., 2024; Priyono et al., 2026). In addition, Maqasid al-Shariah orientation expands the purpose of investment decisions beyond legal permissibility toward broader considerations of social welfare and sustainability, introducing a value-oriented perspective that emphasizes justice, accountability, and long-term collective benefit (Hassan et al., 2021; Sheikh, 2025). The increasing relevance of ESG investment preference further reinforces the connection between Islamic ethical principles and contemporary sustainability-oriented financial behavior. ESG criteria provide measurable indicators through which investors can operationalize value-based investment objectives related to environmental responsibility, social impact, and governance transparency (Sairally, 2015; Agustin et al., 2023). Because these objectives overlap substantially with the ethical foundations of Maqasid al-Shariah, ESG preference is expected to play a mediating role in translating religiosity and maqasid orientation into observable investment behavior (Wahab et al., 2024).

4. RESULT

4.1 Proposed Unified Framework

Based on the integrative literature analysis and theoretical positioning outlined above, this study proposes a unified conceptual framework of Islamic behavioral finance. The framework integrates four core constructs behavioral bias, religiosity, Maqasid al-Shariah orientation, and ESG investment preference into a multidimensional explanation of Muslim investor decision-making. The interaction between these constructs reflects how

psychological tendencies and value-based ethical commitments jointly shape investment behavior in Islamic financial contexts.

4.2 Theoretical Propositions

Based on the integrated conceptual structure developed in this study, the following theoretical propositions are formulated to explain the relationships among the key constructs within the proposed Islamic behavioral finance framework:

Proposition 1 (P1): Behavioral bias significantly influences Muslim investor decision-making by shaping how investors interpret financial information and evaluate investment risk.

Proposition 2 (P2): Religiosity positively influences Shariah-oriented investment decision behavior by strengthening investor commitment to Islamic ethical principles.

Proposition 3 (P3): Maqasid al-Shariah orientation positively influences ethical investment decision-making by encouraging investors to prioritize social welfare and long-term sustainability considerations.

Proposition 4 (P4): Religiosity positively influences ESG investment preference by reinforcing ethical awareness in sustainability-oriented financial participation.

Proposition 5 (P5): Maqasid al-Shariah orientation positively influences ESG investment preference by promoting responsibility toward environmental and social well-being.

Proposition 6 (P6): ESG investment preference positively influences Muslim investor decision-making by translating ethical commitment into observable sustainability-oriented investment behavior.

5. DISCUSSION

5.1 Theoretical Implications

The proposed conceptual framework contributes to the advancement of Islamic behavioral finance literature by integrating behavioral bias theory, religiosity, Maqasid al-Shariah orientation, and ESG investment preference into a unified explanatory

structure of Muslim investor decision-making. Previous studies have typically examined these constructs independently, resulting in fragmented explanations that do not fully capture the multidimensional nature of Islamic investment behavior. By synthesizing cognitive, ethical, and sustainability-related determinants within a single framework, the present study extends behavioral finance theory beyond its conventional psychological foundations and introduces a value-integrated perspective that reflects the normative characteristics of Islamic financial decision-making.

More specifically, this framework operationalizes Maqasid al-Shariah as a behavioral construct rather than treating it solely as a normative objective of Islamic economic activity. This repositioning allows Maqasid al-Shariah to function analytically as a determinant of investment preferences oriented toward long-term social welfare and sustainability outcomes. Furthermore, by incorporating ESG investment preference into the behavioral decision structure of Muslim investors, the framework bridges the gap between Islamic finance theory and global responsible investment literature, thereby strengthening the relevance of Islamic behavioral finance within broader sustainability-oriented financial research.

5.2 Practical Implications

From a practical perspective, the proposed framework provides useful insights for Islamic financial institutions seeking to design investment products that better reflect the behavioral characteristics of Muslim investors. Understanding that investor decisions are shaped not only by expected financial returns but also by religiosity, maqasid-oriented ethical considerations, and ESG preferences allows financial institutions to develop instruments that align more closely with value-based investment expectations. Such alignment may enhance investor trust, increase participation in Shariah-compliant financial markets, and strengthen the competitiveness of Islamic financial products in

sustainability-oriented investment environments.

In addition, the framework highlights the importance of improving Islamic financial literacy as a mechanism for reducing the negative effects of behavioral bias in investment decision-making. Financial education programs that integrate Shariah compliance awareness with sustainability-oriented investment knowledge may support more informed and ethically consistent investment behavior among Muslim investors. This is particularly relevant in emerging Islamic financial markets where participation in Shariah-compliant investment instruments remains relatively limited despite increasing interest in ethical finance.

5.3 Policy Implications

At the policy level, the proposed framework offers important implications for regulators and policymakers involved in the development of Islamic capital markets and sustainable finance ecosystems. The integration of Maqasid al-Shariah orientation with ESG investment preference suggests that regulatory strategies promoting sustainability disclosure standards can be aligned with Islamic ethical objectives. Such alignment may support the development of Islamic sustainable investment guidelines that strengthen transparency, accountability, and social responsibility within financial markets.

Moreover, policymakers may use the framework as a conceptual foundation for designing national Islamic sustainable finance strategies that encourage the integration of ESG criteria into Shariah-compliant investment structures. By promoting regulatory environments that recognize both maqasid-oriented objectives and sustainability reporting practices, governments can facilitate the growth of Islamic responsible investment instruments capable of attracting both faith-based and sustainability-oriented investors. In the long term, this integration may contribute to

strengthening the role of Islamic finance as a driver of inclusive and socially responsible economic development.

5.4 Future Research Directions

The conceptual framework proposed in this study opens several promising directions for future empirical and theoretical research in Islamic behavioral finance. Future studies may empirically test the relationships among the four constructs using quantitative approaches such as structural equation modeling. Survey-based research involving Muslim retail investors across different Islamic financial markets would be particularly valuable for validating the proposed relationships and identifying contextual variations in value-based investment decision-making behavior.

Future research may also focus on the development and validation of measurement scales for Maqasid al-Shariah orientation as a behavioral construct. Developing reliable maqasid-based behavioral indicators would allow researchers to examine how ethical objectives influence portfolio selection decisions and sustainability-oriented investment preferences in contemporary Islamic financial environments. Empirical investigation of ESG preference as a behavioral mechanism linking religiosity and maqasid orientation with investment decisions may provide deeper insight into how Muslim investors interpret sustainability principles within Shariah-compliant financial contexts.

Cross-country comparative research also represents a valuable extension of the proposed framework. Comparative analysis across regions such as Southeast Asia, the Middle East, and South Asia would help identify whether the interaction between behavioral bias, religiosity, maqasid orientation, and ESG preference varies across different socio-economic and regulatory contexts. In addition, future research may explore the role of Islamic fintech platforms in shaping behavioral investment patterns among younger Muslim investors, as well as integrating additional

constructs such as Islamic financial literacy, trust in Shariah governance institutions, and perceived authenticity of Islamic financial products.

CONCLUSION

This study develops a conceptual framework of Islamic behavioral finance that integrates behavioral bias theory, religiosity, Maqasid al-Shariah orientation, and ESG investment preference into a unified explanation of Muslim investor decision-making. By synthesizing cognitive, ethical, and sustainability-related determinants within a single analytical structure, the study responds to the fragmented nature of existing Islamic behavioral finance literature, where these constructs have largely been examined in isolation. The proposed framework provides a more comprehensive understanding of how Muslim investors navigate investment decisions in contemporary financial environments characterized by increasing complexity, ethical awareness, and sustainability concerns.

The findings of this conceptual study suggest that Muslim investor behavior cannot be adequately explained solely through conventional behavioral finance models that emphasize cognitive bias and bounded rationality. Instead, investment decisions in Islamic contexts reflect the interaction between psychological tendencies and normative ethical commitments, where religiosity shapes internal behavioral discipline, Maqasid al-Shariah defines the broader objectives of financial activity, and ESG investment preference represents the practical manifestation of value-based investment behavior. This integrative perspective highlights the need to move beyond single-theory explanations toward a multidimensional behavioral framework that captures the distinctive characteristics of Islamic financial decision-making.

The primary theoretical contribution of this study lies in extending behavioral finance theory by incorporating moral and religious

dimensions into the analysis of investor behavior. Furthermore, this study operationalizes Maqasid al-Shariah as a behavioral construct, thereby transforming it from a purely normative principle into an analytical component of investment decision-making. By integrating ESG investment preference into the Islamic behavioral finance framework, this study also bridges the gap between Islamic finance literature and the broader discourse on sustainable and responsible investment, contributing to the positioning of Islamic finance within the global sustainability agenda.

Despite its contributions, this study remains conceptual in nature and therefore requires empirical validation to confirm the proposed relationships among behavioral bias, religiosity, Maqasid al-Shariah orientation, and ESG investment preference. Future research is encouraged to test the proposed framework across different institutional and cultural contexts, as well as to refine the measurement of maqasid-based behavioral constructs at the individual investor level. In conclusion, this study advances Islamic behavioral finance by proposing a unified conceptual framework that integrates psychological, ethical, and sustainability dimensions into a single explanatory model of Muslim investor behavior, offering a theoretically grounded and internationally relevant framework for understanding value-based investment behavior in modern Islamic financial markets.

Declaration by Authors

Acknowledgement: None

Source of Funding: None

Conflict of Interest: No conflicts of interest declared.

REFERENCES

1. Agustin, F., Muhtadi, R., & Sahal, S. (2023). The importance of implementing environmental, social and governance (ESG) and maqasid sharia-based Islamic finance in Islamic bank. *Journal of Islamic Economic Laws*.
2. Erragraguy, E., & Revelli, C. (2015). Should Islamic investors consider SRI criteria in their investment strategies? *Finance Research Letters*, 14, 11–19.
3. Hassan, M. K., Muneeza, A., & Saraç, M. (2021). Need to redefine Islamic finance in the light of Maqasid al-Shariah. In *Islamic finance and sustainable development: A sustainable economic framework for Muslim and non-Muslim countries*.
4. Katterbauer, K., Syed, H., Genç, S. Y., & Cleenewerck, L. (2022). Environmental compliance and financial performance of Shariah-compliant enterprises – A data-driven analysis. *Revista de Gestão Social e Ambiental*.
5. Mahdzan, N. S., Zainudin, R., Che Hashim, R., & Sulaiman, N. A. (2017). Islamic religiosity and portfolio allocation: The Malaysian context. *International Journal of Islamic and Middle Eastern Finance and Management*, 10(3), 434–452.
6. Mahastanti, L. A., Asri, M., Purwanto, B. M., & Junarsin, E. (2021). Sharia-based stocks: Do Muslim investors prefer metaphysical or materialistic returns? *Journal of Asian Finance, Economics and Business*, 8(5), 631–642.
7. Mitra, R. S., & Bhanawat, H. (2025). Analyses of common behavioral bias among Indo-Arabian investors and how to better manage them. In *Managing sustainable business: Special focus on information & communication technology, and energy issues of sustainable development goals*.
8. Musse, O. S. H., Echchabi, A., & Aziz, H. A. (2015). Islamic and conventional behavioral finance: A critical review of literature. *Journal of King Abdulaziz University: Islamic Economics*, 28(2), 105–121.
9. Priyono, A. A., Saraswati, E., & Widarko, A. (2026). Islamic values and Gen Z's investment behavior in the Sharia stock market: Beyond rationality. *Munaddhomah*.
10. Ramadhani, H., Masyita, D., Herwany, A., & Faisal, Y. A. (2024). Individual Islamic investors' behavior on investment decisions: An empirical study from East Kalimantan Province Indonesia. *Iranian Economic Review*.
11. Sairally, B. S. (2015). Integrating environmental, social and governance (ESG) factors in Islamic finance: Towards the realisation of maqāṣid al-sharī'ah. *ISRA*

- International Journal of Islamic Finance*, 7(2), 145–165.
12. Sheikh, R. (2025). Developing ethical investment criteria based on Maqasid Shariah. *Qualitative Research in Financial Markets*.
 13. Shalhoob, H. (2025). ESG disclosure and financial performance: Survey evidence from accounting and Islamic finance. *Sustainability*, 17.
 14. Shamsudheen, S. V., Mohamad, S., Muneeza, A., & Mahomed, Z. (2024). Ethical discourse of ethical (Islamic) finance: A systematic literature review (1988–2022) and the way forward. *Journal of Islamic Accounting and Business Research*.
 15. Tahir, I., & Brimble, M. (2011). Islamic investment behaviour. *International Journal of Islamic and Middle Eastern Finance and Management*, 4(2), 116–130.
 16. Wahab, M. Z. B. H., Mohamed Naim, A., & Abu Hassan, M. H. (2024). Developing Islamic-sustainable and responsible investment (i-SRI) criteria based on the environmental, social and governance (ESG) concept. *Journal of Islamic Accounting and Business Research*.
 17. Wijaya, H. R., Hati, S. R. H., Ekaputra, I. A., & Kassim, S. (2024). The impact of religiosity and financial literacy on financial management behavior and well-being among Indonesian Muslims. *Humanities and Social Sciences Communications*, 11.

How to cite this article: Agung Budi Sulistiyo, Novi Wulandari, Imamatin Listya Putri, Muhammad Miqdad, Muhammad Dhito Fakhurrozi. Integrating behavioral bias, religiosity, Maqasid al-Syariah, and ESG preference: toward a unified framework of Muslim investor behavior. *International Journal of Research and Review*. 2026; 13(4): 438-447. DOI: <https://doi.org/10.52403/ijrr.20260445>
