

Emotional Intelligence and Investment Decision-Making among Malaysian Retail Investors

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Abstract

Emotional intelligence (EI) has received increasing attention as an individual capability associated with judgment and decision-making, particularly in situations involving uncertainty and risk. This study examines the relationship between emotional intelligence and investment decision-making among Malaysian retail investors from an organisational behaviour and psychological perspective. A quantitative, cross-sectional design was employed using survey data from 308 retail investors in Malaysia. The data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The measurement model demonstrated satisfactory reliability and validity. The findings revealed that emotional intelligence was positively and significantly related to investment decision-making ($\beta = .186$, $p = .006$), supporting the proposed hypothesis. However, the effect size was small ($f^2 = .030$), indicating that emotional intelligence represents one contributing factor within a broader decision-making process. The findings extend the examination of emotional intelligence beyond conventional organisational settings by demonstrating its relevance to individual decision-making in an uncertain investment environment. The study contributes to the behavioural understanding of investment decision-making by highlighting the role of emotional capabilities alongside financial and informational considerations.

Keywords: Emotional Intelligence, Investment Decision-Making, Retail Investors, Individual Decision-Making, Organisational Behaviour

Introduction

Decision-making is an important aspect of individual behaviour because individuals are frequently required to evaluate alternatives and choose appropriate courses of action under conditions of uncertainty. Although decision-making has traditionally been associated with rational evaluation and cognitive processing, contemporary research increasingly recognises that emotions also play an important role in shaping how individuals interpret information, assess alternatives, and respond to uncertain outcomes. This is particularly relevant when decisions involve ambiguity and risk, where affective processes may influence judgment alongside cognitive considerations (Yılmaz, 2024).

Within organisational behaviour and psychology, emotional intelligence (EI) provides an important perspective for understanding the role of emotions in individual behaviour and decision-making. EI generally concerns an individual's ability to recognise, understand, and manage emotions in oneself and others. These emotional capabilities can be particularly relevant when individuals encounter stressful, uncertain, or complex situations that require judgment and behavioural responses. Recent evidence supports the relevance of EI to decision-making. For example, research involving pilots found associations between dimensions of EI and decision-making in safety-critical scenarios, illustrating the potential relevance of emotional capabilities when individuals make consequential decisions under uncertainty (Beling & Wild, 2024).

The relevance of EI to decision-making is not confined to conventional workplace situations. Individuals also make important decisions outside formal organisational boundaries that involve uncertainty, risk, and emotional responses. Investment decision-making provides a particularly useful setting for examining this behavioural process. Retail investors must interpret information, evaluate alternatives, respond to changing circumstances, and make choices involving uncertain outcomes. Such decisions are therefore not necessarily determined solely by financial information or technical knowledge; psychological and emotional characteristics may also contribute to how individuals approach investment choices.

Recent research provides growing evidence that EI is relevant to investment-related decision-making. A systematic review by Chaurasia and Murari (2024), for example, identified an emerging body of research examining the relationship between emotional intelligence and investment decision-making. Other empirical studies have similarly reported associations between EI and investment choices among individual investors. These developments suggest that investment decisions can provide a valuable behavioural context for examining the broader relationship between emotional capabilities and individual decision-making.

However, despite growing interest in emotional intelligence and investment behaviour, an important gap remains in the literature. Existing investor research commonly examines EI within broader financial or behavioural-finance models, where it is considered alongside financial literacy, risk tolerance, behavioural biases, accounting information, demographic characteristics, and social influences (Chandu et al., 2023; Chaurasia & Murari, 2024; Puspita et al., 2023). Consequently, EI is often treated as one of several determinants of investment behaviour rather than being examined specifically as an individual-level psychological capability relevant to decision-making under uncertainty. Moreover, much of the available evidence has emerged from investment and behavioural-finance perspectives, leaving comparatively less attention to how the EI-investment decision relationship can be understood through an organisational behaviour and psychological lens. This represents a relevant research gap because research in other decision contexts increasingly demonstrates that emotional capabilities are associated with how individuals interpret uncertainty, regulate emotional responses, and make consequential choices (Beling & Wild, 2024; Yilmaz, 2024). Examining EI more directly in the context of retail investment therefore provides an opportunity to connect these two streams of research.

This distinction is particularly relevant from an organisational behaviour perspective. Research in other decision contexts has demonstrated the relevance of emotional capabilities to individual judgment and decision processes, including risk-related professional decisions and decisions made under uncertain conditions. Examining EI among retail investors therefore provides an opportunity to extend this behavioural perspective to a setting in which individuals routinely confront uncertainty and potential consequences. Rather than conceptualizing retail investment solely as a financial activity, the present study treats it as a context for examining how individual emotional capabilities relate to decision-making behaviour.

Malaysia provides a particularly relevant context for addressing this gap because retail investors operate within a substantial and increasingly developed capital market while simultaneously confronting changing information, market volatility, and uncertainty. The Malaysian capital market reached a record RM4.3 trillion in 2025 despite heightened global market volatility, trade frictions, and geopolitical uncertainty (Securities Commission Malaysia [SC], 2026). At the same time, average daily equity trading value declined from RM3.44 billion in 2024 to RM2.76 billion in 2025, which the SC attributed to more cautious investor sentiment. These developments illustrate the broader social and economic environment within which Malaysian retail investors make consequential personal financial decisions. Such decisions require individuals not only to process financial information but also to respond to uncertainty, changing market sentiment, and the emotional reactions that may accompany potential gains and losses. Malaysia therefore provides a meaningful setting for examining whether emotional intelligence, conceptualised as an individual psychological capability, is associated with investment decision-making.

Accordingly, this study examines the relationship between emotional intelligence and investment decision-making among Malaysian retail investors. By focusing specifically on EI as an individual-level psychological capability, the study responds to the identified gap between the growing investment literature on EI and the broader organisational behaviour literature on emotions and individual decision-making. The study contributes by extending the examination of EI beyond conventional organisational settings to a real-world decision context characterised by uncertainty and potential risk. It also contributes to the behavioural understanding of investment decision-making by emphasising that such decisions can be examined not only in terms of financial knowledge and information but also through the psychological capabilities that individuals bring to the decision process.

The study addresses the following research question:

RQ1: What is the relationship between emotional intelligence and investment decision-making among Malaysian retail investors?

Literature Review

Emotional Intelligence

Emotional intelligence (EI) has become an important construct in organisational behaviour and psychology because it provides a framework for understanding how individuals perceive, interpret, and manage emotions in themselves and others. The ability model conceptualises EI as a set of mental abilities involving the perception of emotions, the use of emotions to facilitate thought, the understanding of emotional information, and the management of

emotions (Mayer et al., 2016). Rather than viewing emotions as separate from rational thought, this perspective recognises that emotional information can contribute to reasoning, judgment, and behavioural responses. Mayer et al. (2016) further position EI as a form of “hot intelligence,” involving reasoning about information that is personally and emotionally significant.

The conceptualisation of EI, however, is not limited to a single theoretical perspective. Contemporary literature generally distinguishes among ability, trait, and mixed models of EI. Ability models emphasise individuals' capacities to process and use emotional information, whereas trait approaches focus on individuals' self-perceptions of their emotional tendencies. Mixed models combine emotional abilities with broader competencies and personality-related characteristics. These distinctions are important because the conceptualisation adopted influences how EI is operationalized and measured. Recent reviews nevertheless demonstrate that, across these perspectives, understanding and managing one's own emotions and recognizing and responding appropriately to the emotions of others remain central features of EI.

Within organisational settings, EI is particularly relevant because individuals rarely behave or make decisions in emotionally neutral circumstances. Employees, managers, and other organisational actors routinely encounter interpersonal demands, uncertainty, pressure, and situations that require them to regulate their emotional responses. Consequently, EI has developed into an established stream of organisational research concerned with how emotional capabilities relate to individual and organisational outcomes. A comprehensive review of EI research in organizations identifies the construct as spanning personal and social emotional capabilities and highlights the continuing importance of EI to organisational research (Dong et al., 2022).

An important aspect of EI is its connection with social and interpersonal understanding. The ability to recognise the emotions of others may facilitate sensitivity to their perspectives and emotional states, while emotion management enables individuals to respond more appropriately to emotionally demanding situations. In this respect, empathy is conceptually related to EI, particularly where understanding others' emotions and perspectives is concerned. However, empathy and EI should not be treated as interchangeable constructs. EI represents a broader set of emotional capabilities, whereas empathy concerns more specifically the understanding of, and responsiveness to, the emotional experiences or perspectives of others. This distinction is particularly important when EI is operationalized as a multidimensional construct rather than through a specific measure of empathy.

Beyond interpersonal functioning, EI has implications for how individuals process information and respond when confronted with complex choices. Emotional awareness may enable individuals to recognise how their emotional state affects their judgment, while emotion regulation may help them manage emotional reactions that could otherwise interfere with the evaluation of alternatives. Recent literature consequently places increasing emphasis on the relationship between EI and decision-making. Yılmaz (2024), for example, highlights the importance of affective processes in decisions involving uncertainty and risk, while empirical research has demonstrated associations between EI and decision-making in risk-sensitive

professional contexts (Beling & Wild, 2024). More recent organisational evidence has also linked EI with decision-making in academic organisational settings (Munir et al., 2025).

Taken together, these perspectives suggest that EI is relevant not only to interpersonal relationships and workplace interactions but also to individual judgment and behavioural decision processes. This broader relevance is supported by meta-analytic evidence showing that EI is significantly associated with several career-related outcomes, including career decision-making self-efficacy, career adaptability, career satisfaction, and career commitment (Pirsoul et al., 2023). The capacity to recognise, understand, and regulate emotions may become especially important when individuals must evaluate alternatives in situations characterised by uncertainty, competing information, and potential consequences. This provides the conceptual foundation for examining the role of emotional intelligence in individual decision-making.

Emotional Intelligence and Individual Decision-Making

Decision-making involves both cognitive and affective processes. While individuals may attempt to evaluate available information rationally, decisions are often made under conditions of uncertainty, incomplete information, and competing alternatives. In such situations, emotions can influence how information is interpreted, how risks and consequences are perceived, and how individuals respond to available choices. Emotional intelligence is therefore relevant to decision-making because it reflects individuals' capacity to recognise, understand, and manage emotional information during the decision process. Yilmaz (2024) emphasises that affective processes are particularly important when decisions involve uncertainty and risk, where individuals frequently rely on both cognitive and emotional information when evaluating alternatives. This perspective is further supported by a systematic review and meta-analysis showing that incidental emotions can systematically influence decision-making under conditions of risk and uncertainty (Bartholomeyczik et al., 2022).

From an organisational behaviour perspective, EI may facilitate decision-making through several related psychological processes. First, emotional awareness enables individuals to recognise their own emotional reactions and distinguish these reactions from other information relevant to a decision. Second, the ability to understand emotions may help individuals interpret why particular situations generate anxiety, excitement, fear, or confidence. Third, emotion regulation may allow individuals to manage these responses rather than reacting impulsively to them. Collectively, these capabilities may enable individuals to approach complex decisions with greater emotional control while continuing to evaluate relevant information.

Empirical evidence increasingly supports the relevance of EI to decision-making in uncertain and risk-sensitive contexts. Beling and Wild (2024), for example, examined 117 pilots and found associations between dimensions of EI and decisions made in safety-critical scenarios. Their findings suggest that EI has relevance beyond interpersonal functioning and may contribute to understanding how individuals respond when decisions involve risk and potentially serious consequences. Importantly, the authors also identify implications of the

EI-decision-making relationship for human resource management and organisational research.

More recent evidence reinforces this behavioural interpretation. A systematic review of EI and risk behaviour across safety-critical environments found that higher EI was generally associated with safer decision-making and lower risk-taking across occupational contexts. The review also identified potential relationships between EI and psychological tendencies such as overconfidence and sensation seeking that can influence risk perception and behavioural responses (Samu et al., 2025). Similarly, Pellet-Bourgeois et al. (2026) found that emotional intelligence contributed additional explanatory value to risk-management decisions among mountaineers beyond age and expertise. These findings further suggest that emotional capabilities can be relevant when individuals must make consequential decisions in uncertain environments. This broader interpretation is also supported by research in organisational settings highlighting the importance of emotions and emotional intelligence in shaping decision processes within complex and consequential contexts (Hasson Marques et al., 2024). Evidence from organisational settings also supports the broader relevance of EI to decision-making. Munir et al. (2025), for example, examined EI in relation to decision-making within academic organisational settings, illustrating that EI continues to receive attention as an individual-level psychological factor in organisational decision processes. Taken together, these studies indicate that the relevance of EI extends beyond emotional or interpersonal outcomes. Emotional capabilities may also shape how individuals process and respond to situations requiring judgment, uncertainty management, and behavioural choice.

This perspective is particularly relevant when decisions have meaningful personal consequences. In such situations, individuals may experience emotional responses that can affect their interpretation of information and evaluation of alternatives. Individuals with greater emotional intelligence may be better positioned to recognise and regulate these responses during the decision process. Accordingly, examining EI in different decision environments can contribute to a broader understanding of individual behaviour and judgment. One such environment is investment decision-making, where uncertainty, potential gains and losses, and changing information form part of the decision context.

Emotional Intelligence and Investment Decision-Making

Investment decision-making provides a useful behavioural context for examining the relationship between EI and individual decision processes. Retail investors routinely make choices involving uncertain outcomes, competing information, and the possibility of financial gains or losses. These conditions can generate emotional responses that accompany the evaluation of investment alternatives. Consequently, investment decisions provide an opportunity to examine whether individuals' emotional capabilities are associated with their decision-making behaviour.

Recent research has increasingly recognised the relevance of EI in this context. Chaurasia and Murari's (2024) systematic review specifically examined the relationship between EI and investment decision-making and concluded that the available literature generally supports a positive relationship between the two constructs. Their review also shows that researchers have approached the relationship through different measurement models and statistical

techniques, indicating growing scholarly attention to the psychological dimensions of investor decision-making.

Empirical studies provide additional support. Chandu et al. (2023), in a study involving retail investors on India's National Stock Exchange, examined emotional intelligence specifically in relation to investment decisions, reflecting increasing recognition that investors' emotional capabilities may matter alongside fundamental and technical considerations. Puspita et al. (2023) similarly reported a positive and significant relationship between EI and investment decisions among individual investors, while also examining financial literacy as a moderating factor.

More recent evidence continues this line of inquiry. JinMei et al. (2025), in a study of 504 young retail investors in China, examined EI alongside herd behaviour, overconfidence, accounting information, and financial knowledge. Emotional intelligence was positively associated with investment decision-making, whereas herd behaviour and overconfidence showed adverse relationships with investment decisions. These findings further suggest that emotional capabilities warrant attention when explaining individual behaviour in uncertain investment environments.

Experimental evidence provides further insight into how emotional abilities may operate in investor judgment. Wynes (2025) found that investors with lower emotion-understanding ability were more susceptible to judgment biases associated with incidental affect, whereas this bias was reduced among individuals with higher emotion-understanding ability. This finding is particularly relevant to an EI perspective because it suggests that the ability to understand emotions may shape how investors respond to affective information when forming judgments.

Nevertheless, much of this literature is situated primarily within behavioural finance and frequently examines EI as one variable within broader models containing financial knowledge, behavioural biases, risk-related factors, or informational determinants. The present study adopts a more focused individual-behaviour perspective. Rather than treating EI merely as one of several financial decision determinants, it conceptualises EI as an individual psychological capability that may be relevant to how people respond when making decisions under uncertainty.

This distinction provides the basis for examining retail investment as a decision-making context rather than solely as a financial phenomenon. From an organisational behaviour and psychological perspective, the underlying question concerns whether an individual's capacity to understand and manage emotional information is associated with behavioural decision-making when outcomes are uncertain. The retail investment setting allows this relationship to be examined in a consequential real-world context.

Based on the theoretical reasoning and empirical evidence discussed above, individuals with higher emotional intelligence are expected to demonstrate stronger investment decision-making. Therefore, the following hypothesis is proposed:

H1: Emotional intelligence is positively related to investment decision-making among Malaysian retail investors.

Methodology*Research Design*

This study employed a quantitative, cross-sectional research design to examine the relationship between emotional intelligence and investment decision-making among Malaysian retail investors. Data were collected using a self-administered questionnaire administered online. The unit of analysis was the individual retail investor with experience in investment activities. The original study covered respondents from the Central, Northern, and Southern regions of Malaysia.

A non-probability convenience sampling technique was employed because the total population of Malaysian retail investors accessible to the study could not be precisely determined. The questionnaire was distributed electronically through online platforms, including email and social media.

A total of 315 completed responses were initially obtained. Because completion of all questionnaire items was required in the online survey, no missing responses were identified. Data screening subsequently identified seven cases exhibiting straight-lining response patterns. Following their removal, 308 valid responses were retained for the final analysis. Mahalanobis distance assessment indicated no further problematic outliers among the retained cases.

Research Instrument and Measurement

The questionnaire consisted of screening questions, demographic information, and measures of the study constructs. Respondents were screened based on their investment experience. The demographic section collected information including gender, age, education, employment status, income, investor category, and investment experience. The construct items were measured using a five-point Likert scale.

For the present study, the analysis focuses specifically on two constructs: emotional intelligence and investment decision-making. Emotional intelligence was operationalised as an individual's capacity involving self-awareness, interpersonal relationships, adaptability, and the ability to manage emotions when dealing with stressful or difficult situations. The EI construct was measured using four items adapted from Sudibjo and Sutarji (2020).

Investment decision-making represented the behavioural outcome examined in the study. The original instrument contained five items measuring investor decision-making. During measurement-model assessment, one item was subsequently removed to improve convergent validity, resulting in four retained indicators for the construct. The revised factor loadings for these indicators ranged from .571 to .790.

Data Analysis

Data were analysed using SPSS and Partial Least Squares Structural Equation Modelling (PLS-SEM). Initial data screening included assessments of missing values, straight-lining, outliers, and multivariate normality. The Mardia test indicated multivariate non-normality, with skewness and kurtosis values of 7.23 and 63.51, respectively. PLS-SEM with bootstrapping was therefore used for the subsequent measurement and structural model assessments.

Although the present article focuses theoretically on emotional intelligence, the structural model from which the findings were derived included accounting information, risk tolerance, financial literacy, emotional intelligence, and advocate recommendation as predictors of investment decision-making. The effects reported for emotional intelligence therefore represent its relationship with investment decision-making within the original multivariate model.

The measurement model was evaluated for internal consistency reliability, convergent validity, and discriminant validity following established guidelines for multivariate analysis (Hair et al., 2022). In the original measurement model, emotional intelligence demonstrated satisfactory reliability, with a Cronbach's alpha of .872 and composite reliability of .912. Investment decision-making recorded a Cronbach's alpha of .749 and composite reliability of .825.

Emotional intelligence also demonstrated satisfactory convergent validity, with an average variance extracted (AVE) of .722. The original AVE for investment decision-making was .489, slightly below the .50 threshold, which resulted in the removal of one indicator before the measurement model was reassessed. Following the revision, the four EI indicators demonstrated loadings ranging from .809 to .889, while the retained investment decision-making indicators ranged from .571 to .790.

Discriminant validity was assessed using the heterotrait-monotrait (HTMT) ratio. The HTMT value between emotional intelligence and investment decision-making was .554, below the .85 threshold adopted in the original study, indicating adequate discriminant validity between the two constructs.

Results

Respondent Profile

A total of 308 valid responses were retained for analysis following the data-screening process. Of these respondents, 73.7% were male and 26.3% were female. In terms of age, the largest group comprised respondents aged 20–25 years (35.4%), followed by those aged 26–30 years (24.7%). Respondents aged 41 years and above accounted for 21.1%, while 14.3% were aged 31–35 years and 4.5% were aged 36–40 years. Thus, although the sample included respondents from different age groups, younger investors constituted a substantial proportion of the sample.

Descriptive Statistics and Measurement Model

The descriptive results showed that emotional intelligence recorded a mean of 3.847 (SD = 0.731), while investment decision-making recorded a mean of 3.599 (SD = 0.708). Both constructs were measured using a five-point Likert scale.

Table 1

Descriptive Statistics and Measurement Properties

Construct	Mean	SD	Cronbach's α	Composite Reliability	AVE
Emotional Intelligence	3.847	0.731	0.872	0.912	0.722
Investment Decision-Making	3.599	0.708	0.749	0.825	0.537

The measurement model demonstrated satisfactory internal consistency. Emotional intelligence recorded a Cronbach's alpha of .872 and composite reliability of .912, while investment decision-making recorded values of .749 and .825, respectively. Emotional intelligence also demonstrated satisfactory convergent validity, with an AVE of .722. The initial AVE for investment decision-making was .489; consequently, one indicator was removed during measurement-model refinement. Following the removal of ID3, the AVE for investment decision-making increased from .489 to .537, exceeding the recommended threshold of .50.

Following the refinement, the four emotional intelligence indicators had loadings ranging from .809 to .889, while the four retained investment decision-making indicators had loadings ranging from .571 to .790. The HTMT value between emotional intelligence and investment decision-making was .554, below the .85 threshold applied in the original analysis, supporting discriminant validity between the two constructs.

Structural Model and Hypothesis Testing

The original structural model included accounting information, risk tolerance, financial literacy, emotional intelligence, and advocate recommendation as predictors of investment decision-making. Collectively, the five predictors explained 33.7% of the variance in investment decision-making ($R^2 = .337$; adjusted $R^2 = .327$).

Consistent with the theoretical focus of the present study, particular attention was given to the relationship between emotional intelligence and investment decision-making. The original analysis showed that emotional intelligence was positively and significantly related to investment decision-making ($\beta = .186$, $p = .006$). Therefore, H1 was supported. Although statistically significant, the effect size for emotional intelligence ($f^2 = .030$) was small, indicating that emotional intelligence made a small contribution to explaining investment decision-making within the broader multivariate model.

Discussion

The present study examined the relationship between emotional intelligence and investment decision-making among Malaysian retail investors from an individual behavioural perspective. The findings showed that emotional intelligence was positively and significantly related to investment decision-making ($\beta = .186$, $p = .006$), supporting H1. This finding suggests that emotional capabilities are relevant to individual decision-making even in a context traditionally viewed primarily through financial and economic considerations. However, the effect size was small ($f^2 = .030$), indicating that emotional intelligence represents one contributing factor rather than a dominant explanation of investment decision-making.

From an organisational behaviour and psychological perspective, the finding can be understood in terms of the role of emotions in individual judgment and behavioural responses. Individuals do not necessarily make consequential decisions through cognitive evaluation alone; emotional information may also influence how they interpret situations, respond to uncertainty, and evaluate alternative courses of action. Emotional intelligence may be relevant to this process because the ability to recognise, understand, and manage emotions can help individuals become more aware of their emotional responses when making decisions. This interpretation is consistent with contemporary research emphasising the contribution of affective processes to decision-making under uncertainty and risk (Yilmaz, 2024).

The finding is also consistent with recent empirical evidence from investment settings. Puspita et al. (2023) reported a positive and significant relationship between emotional intelligence and investment decisions, while Chandu et al. (2023) similarly identified emotional intelligence as relevant to retail investors' investment decisions. More broadly, the systematic review by Chaurasia and Murari (2024) concluded that the available literature generally supports a positive relationship between emotional intelligence and investment decision-making. Taken together, the present finding adds Malaysian evidence to an emerging body of research suggesting that investment decision-making is associated not only with financial and informational considerations but also by individual psychological capabilities.

Importantly, the findings can be interpreted beyond the immediate investment context. Recent research has linked emotional intelligence with decision-making in organisational and professional settings, including academic organizations, where emotional intelligence has been examined as an individual-level factor associated with decision processes (Munir et al., 2025). Research on decision-making under uncertainty similarly emphasises that emotional processes become particularly relevant when individuals face ambiguity, risk, and potentially consequential outcomes (Yilmaz, 2024). The present study extends this behavioural perspective to Malaysian retail investors, suggesting that the relevance of emotional intelligence to individual decision-making is not confined to conventional workplace settings. Retail investment therefore provides an additional real-world context for understanding how emotional capabilities relate to behavioural decision processes.

Limitations and Future Research

This study has several limitations that should be considered when interpreting its findings. First, the study employed a non-probability convenience sampling approach and included retail investors from the Central, Northern, and Southern regions of Malaysia. Consequently, the sample may not fully represent the broader population of Malaysian retail investors. The sample was also predominantly male, with men accounting for 73.7% of the respondents. Future studies could employ probability-based sampling where feasible and seek greater demographic and geographical representation to improve the generalisability of the findings. Second, the cross-sectional design limits the extent to which causal conclusions can be drawn from the observed relationship between emotional intelligence and investment decision-making. Although emotional intelligence was positively and significantly associated with investment decision-making, the findings should not be interpreted as evidence that emotional intelligence causes particular investment decisions. Longitudinal or experimental

research could provide stronger evidence regarding how emotional capabilities influence decision processes over time and under changing conditions of uncertainty.

Third, although emotional intelligence was significantly related to investment decision-making, its effect size was small ($f^2 = .030$), indicating that emotional intelligence represents only one component of a broader decision-making process. Future research could examine emotional intelligence alongside other psychological and behavioural characteristics to provide a more comprehensive understanding of individual decision-making under uncertainty. Research could also investigate specific emotional capabilities, such as emotion regulation, self-awareness, and empathy, to determine whether particular dimensions are more strongly associated with decision-making across different behavioural and organisational contexts.

Conclusion

This study examined the relationship between emotional intelligence and investment decision-making among Malaysian retail investors from an individual behavioural perspective. The findings showed that emotional intelligence was positively and significantly related to investment decision-making, although the magnitude of the effect was small. These findings reinforce the view that investment decisions are not shaped solely by financial and informational considerations but may also be associated with individuals' emotional capabilities. By positioning retail investment as a context for individual decision-making under uncertainty, the study highlights the relevance of emotional intelligence beyond conventional workplace and organisational settings.

From an organisational behaviour and psychological perspective, the study contributes to a broader understanding of how emotional capabilities are associated with individual decision processes in situations involving uncertainty and potential consequences. The findings also suggest the value of increasing awareness of emotional processes when individuals make consequential decisions. Rather than implying that emotional intelligence alone determines investment decisions, the results indicate that it represents one psychological factor within a broader set of influences on individual behaviour. Overall, the study extends the application of emotional intelligence research to Malaysian retail investors and provides a basis for further investigation of emotional and behavioural factors in decision-making across different contexts.

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