ABSTRACT

The growth of individual investors of productive age in West Java Province has shown a significant upward trend. However, this increase also presents challenges in the form of a high frequency of churning, namely the tendency of investors to engage in repeated short-term buy-sell transactions. Such behavior is often influenced by behavioral biases such as overconfidence, disposition effect, and herding, and is further exacerbated by low levels of emotional intelligence among investors. Therefore, this study aims to identify the effect of emotional intelligence on churning frequency by examining the mediating role of behavioral biases in the context of individual investors of productive age in West Java. This research employs a quantitative approach with a causal research type and a cross-sectional design. The study population consists of individual investors of productive age in West Java Province, using a purposive sampling technique. The sample size comprises 400 individual investors of productive age in West Java. Data analysis was conducted using the Structural Equation Modeling (SEM) approach based on Partial Least Squares (PLS). The findings reveal that emotional intelligence has a significant negative effect on behavioral biases and churning frequency, while behavioral biases have a significant positive effect on churning frequency. Furthermore, behavioral biases are proven to significantly mediate the relationship between emotional intelligence and churning frequency. The findings of this study are expected to contribute to academia by enriching the behavioral finance literature and provide practical insights for investors, financial advisors, and regulators in managing emotions and biases in decision-making.

Keywords*: Emotional Intelligence, Behavioral Bias, Churning Frequency*