

Impact of Cultural Values on Investment Intentions: Mediated by Phantasy and Moderated by Mindfulness, A Study of Institutional Investors of Pakistan

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Abstract

The study challenges the conventional notion of rational financial decision-making, recognizing the pivotal role of emotions in shaping investors' intentions. Emotions influence the evaluation of risky investments, serving as efficient shortcuts in a world flooded with information. The research extends existing literature by integrating various psychological and emotional factors, including cultural values, unconscious emotion, phantasy, and mindfulness, to predict investment intentions. Through a survey of 220 mutual fund investors, the findings support the hypothesis that emotional biases impact decision-making states, emphasizing the importance of being aware of emotional states for sound investment decisions. Cultural values significantly influence risky investment intentions, while the combination of phantasy and mindfulness with psychological factors yields robust results. The study emphasizes the need to consider emotional factors for a thorough understanding of investors' decision-making behavior.

Keywords: behavioural factors, emotions, phantasy, cultural values, mindfulness, risky investment intentions

1. INTRODUCTION

In Pakistan's dynamic economic landscape, psychological and emotional factors significantly influence the risky investment intentions of institutional investors. In this context, entities like mutual funds and pension funds not only manage individual portfolios but also shape the broader financial system. Their decisions are influenced by factors such as risk perception, emotional responses, and cognitive biases (Nigam, Srivastava, & Banwet, 2018). Understanding this interplay is crucial for comprehending the financial dynamics in Pakistan, where economic indicators and government initiatives are intertwined with the psychological factors

guiding institutional investment decisions. Interestingly, common emotional theories highlight the interplay between various cognitive and emotional factors to respond when the stimuli is experienced by the individuals (Plutchik & Kellerman, 2013). Thus, it is plausible to assume that effective investment decision making may not result on account of either of psychological or emotional regulation; rather it provide a more comprehensive framework that goes beyond conventional economic paradigms and offers insights into the complexities inherent in the world of risky investments.

While the existing literature has recognized the importance of cultural factors in shaping financial attitudes (Aren and Hamamcı, 2021a), there is a significant gap in understanding the nuanced impact of specific cultural values on the willingness to undertake financial risks and the intermediary processes and moderating factors that underlie this relationship. Cultural values serve as a foundational element in shaping individuals' attitudes, beliefs, and behaviors, particularly in investment decision-making. This research aims to bridge this gap by scrutinizing how cultural dimensions mold investors' attitudes toward risky investments by incorporating the psychological construct of Phantasy and cognitive state of mindfulness in the framework. The research introduces Phantasy as a mediating factor influencing risk perceptions and, subsequently, investment intentions, while also exploring the moderating role of mindfulness in regulating risky financial decisions. A unified understanding of these factors is essential for a comprehensive overview of investment decision-making processes.

2. LITERATURE REVIEW

2.1 Risky Investment Intentions

Risky investment intentions refer to an individual's willingness or inclination to engage in financial investments that carry a higher degree of uncertainty, volatility, and potential for both gains and losses (Sadiq and Khan, 2019). These intentions are closely linked to emotional factors and cultural values, significantly influencing individuals' financial choices. Emotional factors, such as fear of loss, overconfidence, and the desire for financial gain, significantly influence one's willingness to undertake investment risks. Moreover, cultural values deeply embedded in a society contribute to distinct attitudes toward risk. Cultures that prioritize stability and risk aversion may lead individuals to favor safer investment options, while cultures emphasizing entrepreneurship and high returns may encourage a more risk-tolerant approach. The societal perception of risk itself is molded by cultural norms, with some viewing bold investment efforts as admirable, aligning with cultural values of ambition, while others may perceive such actions as reckless or irresponsible. Ultimately, the

interplay between emotional factors and cultural values shapes individuals' intentions and attitudes when it comes to engaging in risky investments.

2.2 Cultural Values

Culture is an intellectual and psychological trait that differentiates one group from the other, and is a set of guiding standards, values, beliefs, and behaviours that govern person's existence (Illiashenko and Laidroo, 2020). Beyond individual variations, human dispositions and behaviours are impacted by their cultural environment's norms, beliefs, and values. Hofstede's influential theory, based on four dimensions—uncertainty avoidance, power distance, collectivism/individualism, and masculinity/femininity—expanded to include a fifth dimension, long-term orientation (LTO) (Hofstede, 2001), providing a systematic framework for measuring cultural orientation.

Aren and Hamamcı (2021a) highlight the critical role of cultural values in shaping investors' attitudes toward risky investment intentions. Cultures emphasizing stability and security may lean towards conservative financial decisions, while those valuing entrepreneurship and risk-taking may encourage high-risk investments. Understanding the cultural context is essential in the financial domain, as it influences people's risk tolerance, decision-making processes, and overall approach to investments, ultimately shaping the dynamics of global financial markets.

2.3 Uncertainty avoidance: Uncertainty avoidance is a cultural feature that reflects a society's tolerance for ambiguity and uncertainty (Aren and Hamamcı, 2021a). In the context of financial investing, the level of uncertainty avoidance becomes crucial in understanding investors' attitudes and approaches to invest in the stock market. Investors often perceive the stock market as a riskier investment arena compared to the bond market, due to the inherent unpredictability associated with buying and selling stocks, where outcomes are not guaranteed, and values may fluctuate (Iyke and Ho 2017).

In the light of the reviewed literature, investment intentions leading to successful decisions can be viewed as relatively complex decisions due to a high degree of uncertainty associated with them (Hashmi et. al., 2023). It is observed that investors' prioritizing the avoidance of uncertainty exhibit behaviours that are reflected in reduced investment intentions. Generally, there is an inverse relationship between a strong preference for avoiding uncertainty and the willingness to take risks, as indicated by numerous studies (Gaganis et al., 2019; Ashraf et al., 2016). However, Illiashenko and Laidroo (2020) emphasize that a high aversion to uncertainty doesn't necessarily relate to a strong aversion to risk; suggesting that individuals might actually take more risks as a means to reduce their sense of uncertainty, particularly in well-known and familiar domains (Laitinen & Suvas, 2016). Thus, the influence of aversion to uncertainty on risk-taking is complex and may not be straightforward or universally applicable in

financial contexts (Kreiser et al., 2010). This led us to the following hypothesis:

H1: Uncertainty Avoidance has a significant negative association with the risky investment intention of institutional investors.

2.4 Power distance: This dimension, which addresses general human inequality, is described as the extent to which less powerful individuals accept and expect that power is distributed unequally (Hofstede 2001). In settings characterized by high power distance, there is a strong emphasis on hierarchy, compliance, and maintaining the status quo (Ahunov & Hove, 2020). Conversely, reduced power distance is associated with increased individual autonomy and free-thinking, motivating individuals to seek new opportunities and take calculated risks (Gaganis et al., 2019). Consistent evidence from various studies supports a negative association between power distance and individuals' tendencies towards risk-taking (Díez-Esteban et al., 2019). Environments with higher power distance levels, as indicated by Ahunov and Hove (2020) and Ashraf and Arshad (2017), are associated with lower inclination for risk-taking behavior. This pattern suggests that in hierarchical and authority-driven settings, individuals are more likely to adhere to conventional and risk-averse choices (Gaganis et al., 2019).

Contrary to the prevailing trend of risk aversion, the relationship between power distance and risk-taking is not universally consistent. Certain studies (Díez-Esteban et al., 2019; Sist and Kalmi, 2017) have reported a positive association between power distance and risk-taking in specific cultural or organizational contexts where power distance is more accepted. Tuckett and Taffler's (2008) insights explain this unexpected positive association, suggesting that individuals in such contexts may adopt a mindset portraying themselves as superheroes when facing new and unfamiliar high-risk investment instruments, fostering an increased inclination for risk-taking. This perspective helps understand how individuals with high power distance may express intentions related to higher-risk investments. This suggests that the dynamics between power distance and risk taking can be influenced by various contextual factors challenging a one-size-fits-all conclusion and emphasizing the necessity for nuanced and context-specific investigations in exploring this relationship. In this framework, the following hypothesis was created:

H2: Power Distance has a significant negative association with the risky investment intention of institutional investors.

2.5 Long-term orientation: Long-Term Orientation, prioritizing future rewards over immediate ones, is associated with a willingness to take risks (Dez-Esteban et al., 2019); whereas, Lumpkin et al. (2010) argue that while long-term oriented firms take lesser investment risks, short-term focused ventures take greater risks; thus they are more likely to take risks to protect their status, reputé and also meet the needs and demands of society. Individuals from cultures with LTO tend to assign greater value to relationships and rewards that

extend beyond the present, whereas those with a short-term orientation are more likely to adopt a time is money attitude (Hofstede et al., 2010).

Mixed findings on the relationship between power distance and risk-taking may be explained by investors' long-term or short-term orientation. Investors with high long-term orientation are more willing to take risks, believing potential losses can be recovered over time, while those with short-term orientation, like traders, may take risks to protect their reputations in a fast-paced environment (Hofstede et al., 2010). This dual influence on risk-taking behavior may contribute to inconsistent research findings and highlights the complexity of cultural factors in understanding risk-taking behavior across different contexts. Thus, the following hypothesis is proposed:

H3: Long term Orientation has a significant positive association with risky investment intention of institutional investors.

2.6 Phantasy

Phantasy is described as unconscious thought and feeling that persists since birth and is required for mental development (Taffler, 2018). This concept, originally introduced by Freud, holds significant importance in the area of psychoanalysis. Freud (1911) categorized phantasy as the fulfillment of desires, whether conscious or unconscious, highlighting its significance in understanding human desires. It involves perceiving desired outcomes rather than actual events, influencing attitudes and behaviors.

Phantasy, conceptualized as “phantastic objects” are the entities that gain appeal based on their attractiveness (Aren and Hamamci, 2020). These mental pictures align with individual wishes and desires and, when invested in, transform into real objects. Unfulfilled dreams associated with phantastic objects, particularly in financial markets, can drive emotional connections and influence decision-making (Aren and Hamamci, 2021b). In decision-making, the influence of phantasy, an unconscious process, is significant; however, individuals often underestimate the impact of phantasies on their attitudes and behaviors. In this scenario, market narratives play a significant role in this process and shape investor's behavior by attributing meaning to events (Dumanli and Aren, 2021). Research on the link between phantasy and risk-taking in financial markets is limited. Pioneering work by Tuckett and Taffler (2014) emphasizes that phantasy drives irrational risk-taking and is a major driver of financial booms. When investors encounter a new financial instrument, they either get scared or get excited and want to buy the related asset (Aren and Hamamci, 2021). In fact, all assets in financial markets have the potential to be phantastic objects. An asset with this quality increases the emotion of excitement as it makes welfare easier (Raines and Leather, 2011). When the anxiety of missing the opportunity is added to the excitement felt, the investor's desire to own the asset as soon as possible occurs, and the environment is created for phantasy in the market (Taffler, 2018).

Ultimately, phantasy and phantastic objects cause investors to pursue pleasure and increase risky investment intention (Aren and Hamamci, 2021).

On the basis of above discussion, the following statements can be hypothesized:

H4: [There is a](#) positive and significant correlation between phantasy and risky investment intentions.

H5: Phantasy has a significant mediating impact on the relationship between cultural values and risky investment intentions.

2.7 Mindfulness

In human decision-making, rational and emotional systems control the outcome of human decisions separately and independently (Evans, 2008). The process incorporates conscious and unconscious elements such as thoughts, emotions, intuition, and external influences like cultural norms. Stress and strong emotions can negatively impact decision quality, raising questions about the extent of awareness regarding these factors during decision-making.

Research suggests that practicing mindfulness can enhance decision-making processes and outcomes. Mindfulness helps in recognizing the need for a decision, clarifying objectives, and framing the decision. It contributes to various aspects of decision-making, such as identifying the need for a decision, formulating possibilities, building confidence, and reflecting realistically on decisions (Karelaia & Reb, 2015). Mindfulness involves actively paying attention to present moment experiences, increasing awareness of different perspectives and interpretations. Recent research has indicated that mindfulness based therapies can be beneficial in lowering the influence of undesired or unhelpful thoughts. Mindfulness not only benefits health and well-being but also enhances the ability to make high-quality judgments and decisions. Additionally, it promotes ethical decision-making by raising awareness of how one's values and decisions impact others (Ruedy & Schweitzer, 2010). Mindfulness interventions aim to go beyond unsupportive cognitions, fostering a better understanding of thoughts and increasing awareness of different perspectives within present moment experiences (Tang, Jiang, & Tang, 2017).

Consequently, mindfulness, defined as “the state of being openly attentive to and aware of the present moment” can assist people in making better decisions (Brown & Ryan, 2003). Regular mindfulness practice appears to significantly impact risky and emotional decision-making, especially in the context of investment choices. Insightful reasoning and judgment clearly guide investment related decisions. Our emotional desires can lead us to make irrational and illogical investment choices which can prevent us from making *smart* decisions. Studies on mindfulness and investment decisions indicate that higher mindfulness levels are associated with more effective and rational choices, highlighting the potential for improved decision-making through increased self-awareness and emotional regulation (Baker & Nofsinger, 2010).

For this purpose, we have hypothesized that:

H6: Mindfulness has a significantly moderating effect on the relationship between phantasy and risky investment intention of investors.

H7-9: Mindfulness has a significant moderating effect on the relationship between individual cultural factors of investors and risky investment intention mediated through phantasy.

2.8 Theoretical Framework: To address the gaps drawn from the existing literature, the researcher adopts a gender-focused approach and proposes a model incorporating psychological reservoirs and emotional management capability to examine their influence on investment intentions, excluding the individualism/collectivism due to their broader societal implications. The research model is as follows:

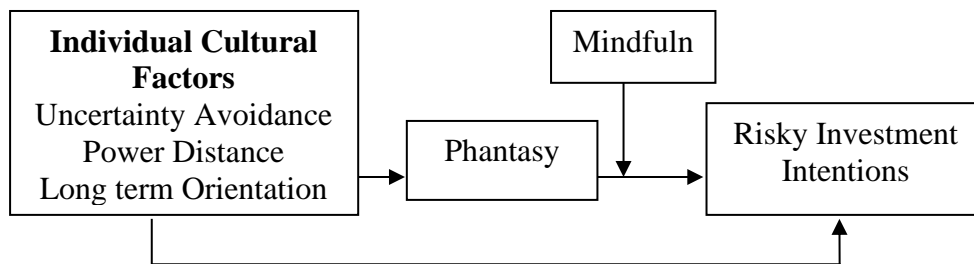


Figure 1: Research Model

3. RESEARCH METHODOLOGY

3.1 Population, sample and Data collection procedure

The study utilized a quantitative approach, collecting data from institutional investors, specifically mutual fund investors in Pakistan with stock market investment potential; also, survey participants had to have some financial data analytical skills with at least five years working experience. The research questionnaire included a covering letter explaining the study's academic nature, significance, and confidentiality measures. Contact information for team members, signed by the principal investigator (PI), was provided for respondents to seek clarification or address concerns.

As the questionnaire items were finalized after proper factor assessment therefore, the sample size needs to be determined on the basis of the assessment. However, due to the limited number of participants in the population considered by the research study, the researcher considered the whole population as sample to gather responses from maximum participants to obtain stable estimates.

3.2 Questionnaire Design

Standard questionnaire was used a tool to collect data by adopting measures from authentic sources. The respondents had to provide demographical information about gender, age, highest level of education, job experience and the type of mutual funds before proceeding to items

measuring study variables. All the items were anchored on 5-point likert scale ranged from strongly disagree = 1 to strongly agree = 5.

The content validity of the questionnaire items was thoroughly reviewed through a rigorous process by professionals and subject matter experts. Furthermore, Confirmatory Factor Analysis (CFA) was utilized to assess the structural validity and confirm the alignment of items with their intended theoretical constructs. After conducting validity and reliability test, data has been analysed using regression with the help of statistical software, SPSS and SmartPLS.

3.3 Measurements of variables

In the current research, the individual cultural values constitute the independent variables of the study and their impact through the mediator, phantasy, has been studied on dependent variable, risky investment intentions. Also, the mindfulness represents the moderating variable. After finalization, the questionnaire items can be summarized in the following Table:

Table I: Questionnaire Items and Sources

Variables	Items	Sources
Uncertainty Avoidance	5	Hofstede, G. and McCrae, R.R. (2004) and
Power distance	6	Yoo and Donthu, 2002 -- Used by Aren
Long-Term Orientation	6	and Hamamci. (2021)
Phantasy	8	Aren, S. and Nayman Hamamci, H. (2020)
Mindfulness	13	Feldman, G., et al., (2007)
Risky Investment Intentions	7	Aydemir and Aren (2017)

4. RESULTS AND DISCUSSION

4.1 Descriptive statistics

The researcher included 82.27% (n = 181) males and 17.72% (n = 39) females in the present research. The sample was a rational blend of different age groups as 52.3% (n = 115) were 35-45 years old, 16.8% (n = 37) were between the age of 45-50 years, and 30.9% (n = 68) were above 50 years of age. The sample included participants with average qualifications as 37.7% (n = 83) holding Bachelor degrees, 59.5% (n = 131) holding Masters Degree and 2.7% (n = 6) were holding MS/M.Phil. Out of the total sample, 52.7% had 5 - 10 years of experience, 40.9% with 10 - 15 years and 6.4% had above 15 years of experience. Also, the largest group of participants, comprising 76.8% of the total sample, invested in Open Ended Schemes. 11.8% of the total sample has chosen to invest in Dedicated Equity Funds; whereas 8.2% has selected Voluntary Pension Funds as their investment option. A smaller group of participants, making up 3.2% of the total sample, have invested in Exchange Traded Funds.

4.2 Reliability and Validity Analysis

The reliability was assessed using Cronbach's alpha and Composite reliability. All research variables were above 0.70 (Nunnally & Bernstein, 2010), suggesting good internal consistency and indicating that the items within each scale are measuring the same underlying construct in a reliable manner.

Confirmatory factor analysis (CFA) was used to evaluate the construct validity of the measurement model. Standardized factor loadings and average variance extracted (AVE) were examined, with all constructs having AVE values above 0.5 (Hair, 2006), ensuring convergent validity. The Fornell-Larcker criterion was employed to assess discriminant validity by comparing correlations between latent constructs to the square roots of the Average Variance Extracted (AVE) values. The results indicated that inter-construct correlations were lower than the corresponding square roots of AVE (Fornell & Larcker, 1981), confirming the discriminant validity of the construct.

4.3 Model Fitness

The analysis of the measurement model yielded good model fit indices given in Table II.

Table II: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df2	Sig. F Change
1	.810 ^a	.656	.641	2.342	.656	44.420	210	.000
2	.681 ^a	.464	.438	3.408	.464	18.102	209	.000

1a. Predictors: (Constant), Mindfulness, Power Distance, Long Term Orientation, Uncertainty Avoidance

1b. Dependent Variable: Phantasy

2a. Predictors: (Constant), Phantasy, Mindfulness, Power Distance, Long Term Orientation, Uncertainty Avoidance

2b. Dependent Variable: Risky Investment Intentions

The results from both Model 1 and Model 2 indicate strong fits. Model 1, explaining 65.6% of the variability in Phantasy, demonstrates a significant contribution from predictors, as evidenced by the F Change of 44.42 and a significance value of 0. Similarly, Model 2, focusing on Risky Investment Intentions, explains 46.4% of the variance, with added predictors significantly improving the model's fit, as indicated by an F Change of 18.102 and a significance value of 0. These findings highlight the substantial impact of predictors on the dependent variables, emphasizing their role in enhancing the models' explanatory power.

4.4 Effect of Gender on the study variables

The study employed Mann Whitney U-test and Wilcoxon W tests in SPSS to attain a thorough understanding of any potential influence of participants' gender on the dependent variable, risky investment intentions as well as phantasy. A comparison is presented below.

Table III: Mann Whitney U test

	Phantasy		Risky Investment Intentions	
Gender	Male	Female	Male	Female
N	181	39	181	39
Mean Rank	105.37	134.32	106.94	127.04
Mann-Whitney U	2600.5		2884.5	
Wilcoxon W	19071.5		19355.5	
Z	-2.603		-1.81	
Asymp. Sig. (2-tailed)	0.009		0.07	

Grouping Variable: Gender

The mean ranks calculation for each gender group revealed that females had a higher average intention for risky investments ($M = 127.04$) compared to males ($M = 106.94$). However, the Mann-Whitney U value of 2884.5 and the Wilcoxon W value of 19355.5, along with the negative Z-score (-1.81), suggested that the difference was not statistically significant ($p = 0.07$). This lack of statistical significance confirms that there is no substantial gender-based impact on intentional behavior towards risky investments among investors in the study.

Additionally, a statistically significant difference in phantasy scores emerged between the two gender groups, male ($M = 105.37$) and female ($M = 134.32$), with a Z-score of -2.603 and a p-value of 0.009 (two-tailed), indicating that, females demonstrated higher mean ranks, suggesting potentially greater engagement or expression of imaginative processes in their decision-making. The Mann-Whitney U statistic of 2600.5 and the Wilcoxon W value of 19071 further supported this significant gender-based distinction in the levels of Phantasy among institutional investors.

4.5 Correlation Analysis

Pearson's correlation analysis was conducted to analyze the direction and strength of the relationship between variables.

Table IV: Correlations

Variables	Uncertainty Avoidance	Power Distance	Long Term Orientation	Phantasy	Mindfulness	Risky Investment Intentions
Uncertainty Avoidance	1					
Power Distance	.257**	1				
Long Term Orientation	.259**	.577**	1			
Phantasy	-.083**	.651**	.738**	1		
Mindfulness	-.049	-.035	-.088	-.089	1	
Risky Investment Intentions	.307**	.435	-.458	.567**	-.039	1

** . Correlation is significant at the 0.05 level (2-tailed).

The result analysis reveals several noteworthy correlations. The correlation between Uncertainty Avoidance and Phantasy is negative but weak ($r = -0.083$), suggesting that individuals who have a stronger aversion to uncertainty tend to engage less in imaginative and fantasy-driven activities. It suggests that a preference for avoiding ambiguity and seeking predictability in various aspects of life may be associated with a lower inclination towards imaginative thinking or daydreaming. Moving on, there's a strong positive link between Power Distance and Phantasy ($r = 0.651$, $p < .01$), suggesting that individuals in environments with pronounced hierarchies (high power distance) may engage more in imaginative thinking and fantasy. Likewise, the correlation between Long-Term Orientation and Phantasy is very strong ($r = 0.738$, $p < .01$), indicating that those with a long-term focus tend to engage significantly in imaginative thinking and fantasy. The connection between Phantasy and Mindfulness shows a weak negative correlation ($r = -0.089$). While this implies a slight inverse relationship between Phantasy and Mindfulness, it's not statistically significant ($p > 0.05$).

Turning to financial intentions, Power Distance ($r = .435$, $p < .05$) and Long-Term Orientation ($r = -.458$, $p < .01$) shows insignificant correlations with Risky Investment Intentions. In contrast, a noteworthy positive correlation was identified between Uncertainty Avoidance and Risky Investment Intentions ($r = 0.307$, $p < .01$). This finding implies that individuals characterized by a heightened aversion to uncertainty are more inclined to exhibit a disposition towards engaging in risky investment behaviors. Interestingly, Phantasy displays a strong positive correlation with Risky Investment Intentions ($r = 0.567$, $p < .01$), indicating that those who engage in more imaginative thinking and fantasy are more likely to express intentions for risky investments. Lastly, the correlation between Mindfulness and Risky Investment Intentions is weak ($r = -0.039$) and not statistically significant, suggesting that there may not be a direct relationship between mindfulness and investors' intentions for risky investments in this context.

4.6 Mediation Analysis

The study employed Model 4 of the PROCESS macro to analyze theorized hypotheses (Hayes & Preacher, 2014), specifically focusing on the impact of phantasy on the relationships between individual cultural values and investors' risky investment intentions. The research hypothesis predicts a significant association between individual cultural values and risky investment intentions, suggesting that including phantasy in the regression equation could enhance the strength of these relationships.

Table V: Direct and Indirect Effects

Direct Effects	Beta	SD	T	P	Indirect Effects	Beta	SD	t	P
UA – RII	0.267	0.103	2.587	0.01	UA - PH – RII	-0.091	0.044	2.091	0.037
PD – RII	0.019	0.071	0.266	0.79	PD - PH – RII	0.208	0.053	3.922	0.000
LTO – RII	-0.017	0.068	0.248	0.804	LTO - PH – RII	0.314	0.082	3.828	0.000

The analysis of the relationship between Uncertainty Avoidance and Risky Investment Intentions unexpectedly reveals a positive and statistically significant direct effect ($\beta = 0.267$, $t\text{-value} = 2.587$). This contradicts the initial prediction of a negative relationship, aligning with previous studies showing varied results (Gaganis et al., 2019; Ashraf et al., 2016; Yoo and Donthu, 2005). The contradiction may be explained by Hofstede's caution that high uncertainty avoidance does not necessarily imply risk avoidance; individuals may actually be inclined to take on more risks to reduce feelings of uncertainty. The complexity of human decision-making processes and varied psychological factors may contribute to this apparent contradiction, with some individuals perceiving risky investments as a way to reintroduce stability in an uncertain environment.

In contrast, the analysis of the indirect effect of Phantasy reveals a negative indirect effect ($\beta = -0.091$) with a statistically significant $t\text{-value}$ of 2.091 at the 0.037 level. This implies that the combination of Uncertainty Avoidance and Phantasy is associated with reduced intentions to engage in risky investments, indicating statistical significance for this negative indirect relationship. As a result of our analysis, we can conclude that both the direct and indirect relationships between uncertainty avoidance and risky investment intentions are statistically significant; thus indicating partial mediation.

The direct effects of Long Term Orientation and Power Distance in the study show relatively minor and statistically insignificant impacts on investors' intentions to engage in risky investments when considered independently. Literature findings on the relationship between long-term orientation and risk-taking are conflicting, with some studies reporting a positive relationship (Díez-Esteban et al., 2019) while others suggest that long-term-oriented firms take fewer risks (Lumpkin et al., 2010). Investors strongly oriented toward long-term goals may be more willing to engage in risky investments, anticipating that potential losses can be overcome with time. Additionally, investors with short-term trading orientation may be more inclined to take risks to protect their reputations (Hofstede et al., 2008). The lack of a clear relationship between these variables may arise from individuals at opposite ends of this cultural dimension displaying similar risk-taking tendencies for varying reasons.

Despite our initial hypothesis suggesting a negative association between power distance and the intention to risky investments in our study, our findings revealed a positive relationship. This finding deviates from the prevailing trend in the literature, which typically identifies a negative association between power distance and risk-taking. While some studies support this negative association (Ahunov and Hove, 2020; Gaganis et al., 2019), our findings align with research by Díez-Esteban et al. (2019) and Sist and Kalmi (2017), suggesting a positive relationship. Tuckett and Taffler (2008) argue that investors engaging in new and unfamiliar high-risk

instruments may view themselves as superheroes, possibly explaining the inclination of individuals with high power distance toward risky investments. Hence, it is reasonable to conclude that our study's findings find support in existing literature.

However, when Phantasy is introduced as a mediator, **Long Term Orientation** and **Power Distance** show significant positive indirect effects aligning with prior research (Chui et al., 2010) showing that the investors are more inclined toward risky financial investments when they engage in imaginative thinking. This implies that, under the influence of Phantasy, investors from cultures characterized by these dimensions may engage in more imaginative or fantasy-driven thinking related to investments. This, in turn, intensifies their inclination toward risky investments, making the influence of cultural dimensions more pronounced when mediated by Phantasy; leading to complete mediation.

4.7 Mediated Moderation Analysis

To examine the mediated moderation effect of mindfulness on the relationship between individual cultural values with the risky investment intentions, this study made use of the Model 14 of PROCESS macro as outlined by Hayes & Preacher (2014) and Hayes (2017, 2013).

Table VI: Conditional effect at different values of the moderator, Mindfulness

		Levels of Mindfulness	Effect	SD	t	P	LLCI	ULCI
Uncertainty Avoidance	High	4.191	-0.058	0.065	0.882	0.378	-.3440	0.4374
	Low	3.267	-0.054	0.061	0.876	0.381	-.3260	0.4491
	Mean	3.729	-0.056	0.063	0.886	0.376	-.3224	0.4515
Power Distance	High	4.191	0.192	0.060	3.224	0.001	0.1750	0.6682
	Low	3.267	0.180	0.056	3.230	0.001	0.1918	0.6428
	Mean	3.729	0.186	0.053	3.477	0.001	0.1287	0.6042
Long-term Orientation	High	4.191	0.458	0.108	4.229	0.000	0.3297	0.9945
	Low	3.267	0.428	0.104	4.096	0.000	0.3677	0.8958
	Mean	3.729	0.443	0.096	4.616	0.000	0.3076	0.8826

Dependent Variable: Risky Investment Intentions

Starting with uncertainty avoidance, both the direct and indirect relationships between uncertainty avoidance and risky investment intentions are statistically significant; but when the effect of mindfulness as a moderator is being tested, the overall relationship of uncertainty avoidance and risky investment intentions becomes insignificant. The negative beta coefficients (-0.054 to -0.058) suggest that Phantasy weakens the relationship between uncertainty avoidance and Risky Investment Intentions, but the t-statistics (ranging from 0.876 to 0.886) and p-values greater than 0.05 indicate that this mediation effect is not statistically meaningful. This implies that regardless of the level of mindfulness, the impact of uncertainty avoidance on risky investment intentions, when

mediated by Phantasy, is not strong enough to reach statistical significance (Sivakumar & Nakata, 2001).

For power distance, the analysis reveals a notable influence on Risky Investment Intentions when mediated by Phantasy under different mindfulness conditions. The beta coefficients are substantial (ranging from 0.180 to 0.192), indicating a significant impact. The t-statistics are also significant ($p = 0.001$) across all mindfulness levels. This suggests that individuals from cultures characterized by high power distance, where hierarchies and authority hold significant importance, are more likely to demonstrate a notable inclination toward risky investments when their decisions are influenced by Phantasy (Aren and Hamamcı, 2021a; 2021b).

For long-term orientation, the analysis similarly reveals that this cultural dimension has a substantial influence on Risky Investment Intentions when mediated by Phantasy across all mindfulness conditions (high, low, and mean). The beta coefficients are consistently high (ranging from 0.428 to 0.458), indicating a significant impact. The t-statistics are also high ($p = 0.000$), establishing strong statistical significance in all cases. This suggests that individuals from cultures emphasizing long-term orientation tend to exhibit a significant inclination toward risky investments when their decisions are influenced by Phantasy (Chui et al., 2010).

5. CONCLUSION

Overall, this study provides valuable insights into the multifaceted aspects of financial and investment intentions leading to sound decision-making. It underscores the critical significance of thoroughly assessing various factors and their interplay in order to gain a comprehensive understanding of the determinants that drive individuals, particularly mutual fund investors, to make specific financial choices. The findings from this study contribute to a deeper understanding of intricate interplay between psychological factors and cognitive processes, emphasizing their collective influence on financial and investment decision intentions in diverse contexts. The study identifies a dynamic interaction of elements, including cultural values, imaginative thinking (Phantasy), and even cognitive states like Mindfulness among mutual fund investors. Notably, the study reveals that investors, despite facing inherent market volatility, generally base their decisions on practical information but may exhibit irrational behavior during emotional instability. Cultural context emerges as a pivotal factor shaping financial attitudes, underscoring the need for a culturally sensitive approach in financial analysis. The introduction of cultural diversity brings forth a range of perspectives, values, and norms that significantly impact financial attitudes and strategies. The analysis also demonstrates that mindfulness can positively impact investment intentions by enhancing decision-making skills and awareness of emotional states. The results indicate that mindfulness may increase awareness of emotional states and impact one's decision intentions

by improving the quality and accuracy of coming to a conclusion, thus justifying that mindfulness can help identify when a decision needs to be made, as well as for clarifying objectives and framing the decision.

The incorporation of these elements into the analysis provides a holistic perspective on the factors influencing risky investment intentions. The inclusion of imaginative thinking and Mindfulness suggests that psychological and cognitive aspects play a significant role in shaping financial choices. This approach adds depth to our understanding of the intricate dynamics at play within the realm of mutual fund investments. By acknowledging these diverse factors, the research challenges the notion that financial decision-making is solely driven by rational and economic considerations.

The study's theoretical implications contribute significantly to the fields of psychology and cross-cultural studies, emphasizing the profound influence of cultural values on cognitive processes. It provides valuable insights for individuals to better understand their behavior, identifying factors that lead to deviations from rational decision-making. The findings particularly shed light on investment intentions, urging awareness of emotional biases and performance issues among investors. Practical applications of the study extend to educators, policymakers, and organizations, guiding them in navigating cultural diversity and adapting teaching approaches, policies, and team structures to leverage cognitive strengths in various cultural contexts. However, limitations include the study's confinement to the specific context of Pakistan, suggesting a need for broader global testing of the model, consideration of diverse investors, and exploration of longitudinal designs for a more comprehensive understanding. The moderately sized sample of mutual fund investors may limit the generalizability of the findings, and future research is recommended to expand the scope to encompass additional psychological variables for a more comprehensive view of factors influencing risky investment intentions.

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