

Sharia Compliance, Mutual Fund Performance, and Investor Trust: Evidence from the Indonesian Islamic Capital Market

Ainil Fitri, Uslan

Sekolah Tinggi Agama Islam Nurul Abror Al Robbaniyin

Email : ainilfitri030203@gmail.com*, uzlanaini29@gmail.com

ABSTRACT

Keywords:

Sharia governance;
Islamic mutual
funds; investor
confidence; Islamic
capital market;
ethical finance

* *Corresponding Author*

The rapid expansion of Islamic finance has positioned Sharia-compliant investment instruments as an important component of modern financial markets, particularly in countries with large Muslim populations such as Indonesia. Despite the growth of Islamic mutual funds, questions remain regarding how Sharia compliance influences fund performance and shapes investor trust within the Islamic capital market. This study aims to examine the relationship between Sharia compliance mechanisms, mutual fund performance, and investor trust in Indonesia. The research employs a qualitative approach using a conceptual case study design based on document analysis of regulatory frameworks, Sharia fatwas, and institutional reports related to Islamic mutual funds. Data were collected through systematic literature review and document analysis, followed by qualitative data condensation, thematic categorization, and interpretative analysis. The findings reveal that institutional Sharia compliance mechanisms including Sharia screening, supervisory oversight, and cleansing procedures play a significant role in strengthening governance structures within the Islamic mutual fund industry. These mechanisms are associated with the growth of mutual fund performance indicators and increasing investor participation in Sharia-based financial instruments. The study concludes that Sharia compliance functions not only as a regulatory requirement but also as a strategic governance signal that enhances investor trust and supports the sustainable development of the Islamic capital market in Indonesia.

Article History:

Received : 07/02/2026

Revised : 18/02/2026

Accepted: 14/03/2026

Available online: 28/03/2026

DOI: <https://doi.org/>

Please cite this article in APA style as:

Fitri, A. & Uslan. (2026). Sharia Compliance, Mutual Fund Performance, and Investor Trust: Evidence from the Indonesian Islamic Capital Market. *BizGrowth: Journal of Business and Economic Development*, 1(1), 29-41.

INTRODUCTION

Islamic investment has increasingly emerged as a significant component of the global financial system, offering an alternative framework that integrates profitability with ethical and religious principles. Unlike conventional financial instruments that primarily focus on maximizing financial returns, Islamic finance

promotes value-based investment guided by principles such as the prohibition of *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation) (Sheikh, 2025). These principles aim to ensure fairness, transparency, and social responsibility within economic transactions. In countries with large Muslim populations, such as Indonesia, Islamic investment instruments play an essential role in facilitating inclusive and ethical financial participation. The development of Islamic mutual funds, in particular, has expanded access to capital markets for investors seeking Sharia-compliant financial products. Consequently, the growth of the Islamic capital market not only reflects the increasing demand for ethical finance but also contributes to broader economic development by promoting financial stability, responsible investment practices, and sustainable economic growth (Alhammadi, 2026).

Despite the rapid expansion of Islamic financial products, significant challenges remain regarding the consistent implementation of Sharia compliance in investment practices. Sharia compliance represents a fundamental element of Islamic finance because it ensures that financial transactions adhere to Islamic legal and ethical principles (Taufik Syamlan et al., 2026). However, in practice, discrepancies often arise between the normative standards established through Sharia fatwas and regulatory frameworks and their actual implementation by financial institutions. In the context of Islamic mutual funds, concerns have emerged regarding portfolio allocation strategies that may involve instruments containing elements inconsistent with Sharia principles. Such practices may occur when investment managers prioritize portfolio stability or short-term returns over strict Sharia adherence. Furthermore, limited financial literacy regarding Islamic investment mechanisms among the public often makes it difficult for investors to evaluate whether a financial product truly complies with Sharia principles. These issues may ultimately weaken investor confidence and reduce the perceived credibility of Islamic investment instruments within the financial market.

Indonesia presents an interesting case for examining the dynamics of Islamic mutual fund development. As the country with the largest Muslim population in the world, Indonesia possesses significant potential for the expansion of Sharia-compliant financial instruments. Industry statistics indicate that the number of Islamic mutual funds has grown substantially over the past decade. In 2018, approximately 217 Islamic mutual fund products were recorded with a total net asset value of around IDR 34 trillion. By 2024, the number had increased to more than 300 products with a net asset value exceeding IDR 51 trillion, indicating strong market expansion and growing investor interest in Sharia-based investments (Otoritas Jasa Keuangan, 2024). Nevertheless, this growth has been accompanied by persistent concerns regarding the integrity of

Sharia compliance in investment management. Academic discussions and industry observations have highlighted instances where investment portfolios may involve financial instruments that are not fully aligned with Sharia screening criteria. Such inconsistencies raise important questions regarding the relationship between Sharia compliance, mutual fund performance, and the level of trust investors place in Islamic financial products.

Previous studies have explored various aspects of Islamic financial performance and Sharia governance. Several scholars argue that effective Sharia supervision and compliance mechanisms contribute to the credibility and sustainability of Islamic financial institutions (Alam & Miah, 2024; Jaradat & Oudat, 2025). In the context of Islamic mutual funds, Sharia screening mechanisms and oversight by Sharia supervisory boards are considered essential institutional safeguards that ensure investment activities remain consistent with Islamic legal principles (Minhas, 2023). Some studies also suggest that Sharia-compliant investment strategies may promote financial stability because they discourage speculative transactions and emphasize risk-sharing mechanisms (Heravi & Sharofiddin, 2025). Consequently, the literature generally recognizes Sharia compliance as both a normative foundation and a governance mechanism that supports the credibility of Islamic financial markets. However, most of these studies focus primarily on institutional regulation and governance structures rather than examining the broader implications of Sharia compliance for investment performance and investor perceptions.

Although existing studies have examined the regulatory and governance dimensions of Sharia compliance, limited attention has been given to the integrated relationship between Sharia compliance, mutual fund performance, and investor trust. Most research in Islamic finance tends to focus either on legal frameworks or on financial performance indicators separately, without exploring how ethical compliance may simultaneously influence both dimensions. In reality, investor trust plays a crucial role in determining the sustainability of financial markets. Trust is particularly important in Islamic finance because investors often rely on religious legitimacy when making investment decisions. Without strong confidence in the Sharia compliance of financial products, the long-term development of Islamic financial markets may be significantly constrained. Therefore, a comprehensive analytical approach is needed to examine how Sharia compliance not only serves as a religious obligation but also functions as a strategic factor that shapes financial performance and investor behavior in Islamic mutual fund markets.

Responding to this gap, the present study develops an integrative framework that examines the influence of Sharia compliance on both mutual fund performance and investor trust within the Indonesian Islamic capital

market. This research argues that Sharia compliance should not be viewed merely as a normative religious requirement but also as a mechanism that strengthens market credibility and investment confidence. When Sharia principles are implemented consistently through transparent governance, effective regulatory oversight, and rigorous portfolio screening, investors are more likely to perceive Islamic financial products as trustworthy and reliable. At the same time, adherence to Sharia principles may encourage more prudent investment strategies that contribute to greater financial stability and sustainable portfolio performance. By linking ethical compliance with both financial outcomes and investor perceptions, this study provides a conceptual contribution to the literature on Islamic finance and offers new insights into how Sharia governance can enhance the performance and credibility of Islamic mutual funds in emerging financial markets.

METHOD

This study employs a qualitative approach using a conceptual case study design to develop an in-depth understanding of the relationship between Sharia compliance, mutual fund performance, and investor trust within the Indonesian Islamic capital market. A qualitative approach is considered appropriate because it enables researchers to explore complex financial and regulatory phenomena through interpretative analysis of relevant documents and scholarly literature, thereby generating a comprehensive understanding of Sharia compliance practices in investment activities (Tawfik et al., 2025). The analysis focuses specifically on the Islamic capital market system in Indonesia by examining regulatory frameworks, Sharia fatwas, and the operational practices of Islamic mutual funds under the supervision of the Financial Services Authority (Otoritas Jasa Keuangan/OJK) and the National Sharia Council of the Indonesian Council of Ulama (DSN-MUI). Indonesia is selected as the research context because it hosts the world's largest Muslim population and demonstrates significant growth in the Islamic mutual fund industry, making it a relevant setting for investigating how Sharia compliance shapes investment performance and investor trust.

Data collection in this study was conducted through a systematic literature review and documentation method focusing on written sources relevant to the Islamic capital market. The data used consist of secondary materials including DSN-MUI fatwas, national regulatory frameworks governing capital markets, official reports published by the Financial Services Authority, as well as scholarly books and academic journal articles addressing Islamic economic law and Sharia-based investment. The collection process involved identifying, recording, categorizing, and organizing information

through thematic classification to ensure analytical clarity. Data analysis followed a structured qualitative procedure consisting of data condensation, data display, and conclusion drawing and verification in order to produce coherent interpretations of the research findings (Tawfik et al., 2025). Additionally, content analysis was applied to examine the consistency between normative provisions contained in DSN-MUI fatwas and the practical implementation of Sharia investment principles in Islamic mutual fund management. Data credibility was strengthened through source triangulation by comparing regulatory documents, academic literature, and institutional reports related to Islamic finance governance.

Table 1. Methodological Summary

Methodological Component	Description
Research Type	Qualitative research using a normative juridical approach and conceptual case study of the Islamic capital market
Data Sources / Informants	Secondary data including DSN-MUI Fatwa No. 20/DSN-MUI/IV/2001, Law No. 8 of 1995 on Capital Markets, OJK regulations, academic literature, scholarly journals, and official documents related to Islamic mutual funds
Data Collection Techniques	Literature review (library research), document analysis, systematic recording, and thematic categorization of relevant materials
Data Analysis Techniques	Content analysis, data condensation, data display, and conclusion drawing/verification with source triangulation

RESULT

The findings of this study indicate that Sharia compliance in the management of Islamic mutual funds in Indonesia operates through a set of institutional mechanisms and regulatory frameworks established by relevant authorities. In this research, Sharia compliance is operationally defined as the alignment of investment activities with the principles of Islamic economic law, which prohibit practices involving *riba* (interest), *gharar* (excessive uncertainty), and *maysir* (speculation), while requiring investments to be directed toward halal economic sectors. Evidence obtained from regulatory documents and Sharia fatwas shows that compliance within the Islamic mutual fund industry is implemented through Sharia screening procedures, supervision by the Sharia Supervisory Board, and the cleansing mechanism used to remove non-halal income when such elements are identified. In addition, portfolio management must adhere to the Sharia Securities List periodically issued by the financial authority. The data analysis reveals three main themes emerging from the empirical materials: the implementation of Sharia compliance mechanisms, the performance of Islamic mutual funds, and the level of investor trust in Sharia-based investment instruments.

The data show that the implementation of Sharia compliance within Islamic mutual fund management relies on a structured system of institutional supervision. Based on the regulatory documents and Sharia fatwas analyzed in this study, investment management must first pass through a Sharia screening process before financial instruments can be included in the investment portfolio. This screening procedure is guided by the Sharia Securities List issued periodically by the capital market authority. In addition, each Islamic mutual fund product is monitored by a Sharia Supervisory Board responsible for ensuring that all investment activities remain consistent with established Sharia principles. The findings also indicate the presence of a fund purification mechanism when income originating from activities inconsistent with Sharia principles is detected. This process, commonly referred to as the cleansing mechanism, aims to preserve the integrity of Sharia-compliant investment portfolios. Overall, the supervisory structure reflects an institutional framework designed to ensure that investment practices within Islamic mutual funds remain aligned with the ethical and legal requirements of Sharia.

The results further show that the Islamic mutual fund industry in Indonesia has experienced notable growth over recent years. Data obtained from official capital market reports indicate a continuous increase in the number of Sharia-compliant mutual fund products available to investors. In 2018, approximately 217 Islamic mutual funds were recorded, with a total net asset value of around IDR 34 trillion. By 2024, the number had increased to more than 300 products, accompanied by a net asset value exceeding IDR 51 trillion. This expansion reflects a significant rise in investment activity within Sharia-based financial instruments in the Indonesian capital market. The data also indicate that the investment portfolios of Islamic mutual funds generally consist of equities listed in the Sharia Securities List, sukuk instruments, and Sharia-compliant money market instruments. Such portfolio structures demonstrate that investment management practices are conducted within a framework that emphasizes prudence while maintaining adherence to the Sharia criteria established by financial regulators.

The findings also reveal indications of growing investor confidence in Islamic mutual fund products in Indonesia. The data show that the increase in the number of products and the expansion of net asset value are accompanied by rising investor participation in the Islamic capital market. Industry documentation suggests that this growth is associated with increasing public interest in investment instruments that not only offer financial returns but also comply with ethical and religious values. The presence of a formal Sharia supervisory system, including the oversight of the Sharia Supervisory Board and the implementation of Sharia fatwas governing investment mechanisms, appears

to contribute to strengthening investor confidence in Islamic financial products. Furthermore, transparency in investment reporting and the consistent application of Islamic capital market regulations are identified as important elements that reinforce investor perceptions regarding the legitimacy and security of Sharia-based investment instruments available in Indonesia's financial market.

Overall, the empirical data reveal three key dimensions related to the development of Islamic mutual funds in Indonesia. First, the implementation of Sharia compliance operates through several institutional mechanisms, including Sharia securities screening, supervision by the Sharia Supervisory Board, and the purification of income derived from non-compliant sources. Second, industry data indicate a consistent increase in both the number of Islamic mutual fund products and their total net asset value over recent years, reflecting the expansion of Sharia-based investment activities within the Indonesian capital market. Third, this growth in investment products and asset value coincides with increasing investor participation in Sharia-compliant financial instruments. Taken together, these three dimensions illustrate the interaction between institutional compliance mechanisms within Islamic financial governance, the performance of the Islamic mutual fund industry, and the participation of investors in Sharia-oriented capital market activities. For clarity and analytical coherence, the key empirical findings are summarized in Table 2.

Table 2. Summary of Key Research Findings

Variable	Indicator	Empirical Findings
Sharia Compliance	Sharia securities screening	Investments are limited to instruments listed in the Sharia Securities List
Sharia Compliance	Institutional supervision	Supervision conducted by the Sharia Supervisory Board and capital market regulators
Sharia Compliance	Fund cleansing mechanism	Non-halal income is separated through a purification process
Mutual Fund Performance	Number of products	Islamic mutual funds increased from about 217 to more than 300
Mutual Fund Performance	Net Asset Value	Net asset value increased from about IDR 34 trillion to more than IDR 51 trillion
Investor Trust	Investor participation	Growth in investment participation in Islamic mutual funds
Investor Trust	Perceived legitimacy	Investors show stronger interest in Sharia-based investment instruments

As shown in Table 1, the empirical findings highlight three interconnected dimensions: institutional mechanisms of Sharia compliance, the growth of Islamic mutual fund performance, and increasing investor participation in Sharia-based financial instruments. The pattern emerging from the data suggests

a consistent relationship between the implementation of Sharia compliance mechanisms and the development of the Islamic mutual fund industry in Indonesia. The findings show that the supervisory structure comprising capital market regulators, the Sharia Supervisory Board, and the application of Sharia fatwas governing investment practices creates a structured governance framework within the Islamic mutual fund sector. Within this framework, the Sharia screening process functions as the initial stage in determining the eligibility of financial instruments for investment portfolios. This stage is followed by ongoing monitoring and reporting procedures designed to ensure that investment activities remain aligned with Sharia principles. Industry data further indicate that as the number of Islamic mutual fund products expanded, the volume of Sharia-compliant portfolio investments also increased. This pattern reflects a concurrent trend in which the growth of investment products, the rise in net asset value, and the expansion of investor participation occur within a financial environment governed by systematic Sharia compliance mechanisms. The relationship among these findings can be conceptually illustrated through the pattern presented in Figure 1.

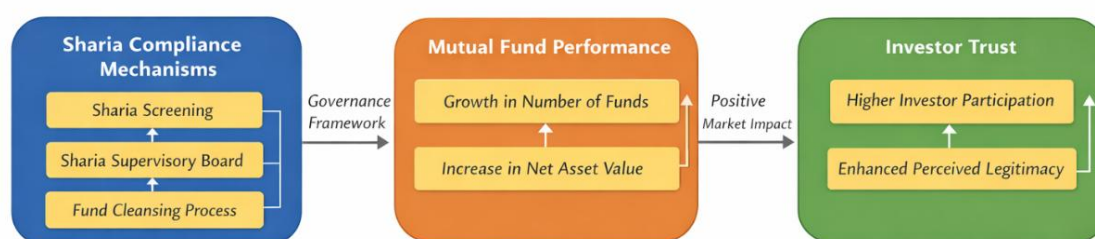


Figure 1. Relationship Pattern between Sharia Compliance, Mutual Fund Performance, and Investor Trust

DISCUSSION

The findings of this study provide a coherent explanation of how Sharia compliance operates as a central mechanism influencing both the performance of Islamic mutual funds and the development of investor trust in the Indonesian capital market. The empirical evidence indicates that institutionalized Sharia governance manifested through screening procedures, supervisory oversight, and compliance mechanisms creates a structured framework that shapes the operational behavior of Islamic investment products. Within this framework, Sharia compliance functions not merely as a legal requirement but as a governance signal that reinforces credibility and legitimacy in financial transactions. This dynamic helps explain why the expansion of Sharia-compliant investment instruments has been accompanied by increasing participation in the Islamic capital market. From an interpretive perspective, the results suggest that

adherence to Sharia principles contributes to a governance environment that reduces informational ambiguity and strengthens investor confidence. Consequently, Sharia compliance emerges as a strategic institutional mechanism that simultaneously influences financial performance and the perceived reliability of Islamic investment products within Indonesia's rapidly developing financial ecosystem.

These findings are consistent with a growing body of literature emphasizing the role of Sharia governance in enhancing the credibility and sustainability of Islamic financial institutions. Previous studies have argued that robust Sharia compliance frameworks strengthen market confidence and contribute to the stability of Islamic financial markets (Akhlaq & Asif, 2024; Taufik Syamlan et al., 2026). Similarly, research on Islamic mutual funds indicates that compliance with Sharia screening standards can promote prudent investment behavior by discouraging speculative transactions and emphasizing asset-backed financing (Aziz, 2025; Nawaz, 2025). The Indonesian context provides further support for this argument because the regulatory architecture governing Islamic finance integrates religious legitimacy with formal financial supervision. The presence of regulatory institutions such as the Financial Services Authority and the National Sharia Council creates a dual governance structure that reinforces compliance at both regulatory and ethical levels. As a result, the convergence between regulatory oversight and religious authority may help explain the consistent growth of Sharia-compliant investment instruments observed in Indonesia's capital market.

Nevertheless, the findings also offer perspectives that extend beyond some earlier studies that questioned whether strict Sharia screening could potentially limit portfolio diversification and reduce investment performance. In contrast to such concerns, the present study suggests that Sharia compliance may function as a positive institutional signal that enhances investor confidence rather than constraining financial outcomes. This observation can be interpreted through the lens of signaling theory, which posits that credible signals reduce information asymmetry between financial institutions and investors (Yan et al., 2015; Yang et al., 2023). Within the Islamic finance context, adherence to Sharia principles serves as a signal of ethical governance and institutional integrity. Furthermore, from a Shariah governance perspective, compliance mechanisms such as supervisory boards and regulatory monitoring reduce potential agency conflicts between fund managers and investors (James & Quaglia, 2023). These governance structures reinforce accountability and transparency, which may ultimately strengthen investor trust and contribute to the long-term credibility of Islamic financial markets.

The practical implications of these findings are particularly relevant for

key stakeholders within the Indonesian Islamic finance ecosystem. For fund managers, the results highlight the strategic importance of maintaining rigorous Sharia compliance not only as a regulatory obligation but also as a reputational asset that can enhance investor confidence. Transparent disclosure of Sharia screening procedures and compliance mechanisms may further strengthen the credibility of Islamic investment products. For regulators, particularly the Financial Services Authority and the National Sharia Council, the findings underscore the importance of maintaining a strong supervisory framework that integrates financial regulation with Sharia oversight. Continuous monitoring, improved reporting standards, and strengthened governance structures can help sustain the integrity of the Islamic capital market. From the perspective of investors, the findings suggest that Sharia-compliant investment instruments may offer a governance environment characterized by greater transparency and ethical accountability, thereby reinforcing confidence in Islamic financial products as viable investment alternatives.

From a scholarly perspective, this study contributes to the evolving literature on Islamic finance by integrating three dimensions that are often examined separately: Sharia compliance, mutual fund performance, and investor trust. By demonstrating the interconnected relationship among these variables within the Indonesian Islamic capital market, this research advances the understanding of how ethical governance mechanisms influence financial outcomes and investor perceptions. The study thus addresses an important gap in the literature that has traditionally emphasized either regulatory frameworks or financial performance indicators without fully exploring their interaction with investor behavior. In doing so, it contributes to the broader discourse on ethical finance by illustrating how religiously grounded governance structures can shape market dynamics in emerging financial systems. Future research may build upon these findings by employing comparative cross-country analyses, quantitative performance models, or behavioral approaches to further explore the mechanisms through which Sharia governance influences investor decision-making in Islamic financial markets.

CONCLUSION

This study demonstrates that Sharia compliance functions as a fundamental governance mechanism shaping the development of Islamic mutual funds in Indonesia. The findings indicate that institutional Sharia compliance implemented through Sharia screening procedures, supervisory oversight by Sharia boards, and fund purification mechanisms plays a significant role in strengthening the governance structure of Islamic investment products. Within the Indonesian Islamic capital market, these mechanisms operate not only as

regulatory safeguards but also as signals of ethical and institutional credibility that reinforce investor confidence. The study further reveals that the presence of a structured Sharia governance framework is closely associated with the expansion of Islamic mutual fund activities and increasing investor participation. In this context, the most important insight derived from the research is that compliance with Sharia principles does not merely represent religious adherence but also contributes to the establishment of a trustworthy financial environment that supports the sustainable growth of Islamic investment markets.

From a scholarly perspective, this research contributes to the literature on Islamic finance by integrating three analytical dimensions that are often examined separately, namely Sharia compliance, mutual fund performance, and investor trust. By demonstrating how these dimensions interact within the institutional context of the Indonesian Islamic capital market, the study offers a conceptual contribution to discussions on ethical governance in financial systems. Nevertheless, this research has several limitations, particularly in its reliance on qualitative document analysis and its focus on a single national context. Future research may expand this study by incorporating quantitative performance analysis, cross-country comparisons of Islamic mutual funds, or behavioral approaches that examine investor decision-making processes within different Islamic financial markets.

ACKNOWLEDGMENT

The authors would like to express their sincere appreciation to STAI Nurul Abror Al-Robbaniyin Banyuwangi for providing academic support and a conducive research environment that made this study possible. The authors also gratefully acknowledge the availability of institutional reports and regulatory documents from the Financial Services Authority and the National Sharia Council of the Indonesian Council of Ulama, which served as important references for this research. Constructive discussions with colleagues and valuable feedback from peer reviewers are also highly appreciated, as they helped improve the clarity and quality of this manuscript. Any remaining limitations in this article remain the sole responsibility of the authors.

REFERENCES

- Akhlaq, M., & Asif, M. (2024). The importance of sharia compliance in Islamic finance. *Tanazur*, 5(1), 195–212.
- Alam, M. K., & Miah, M. S. (2024). Do Islamic banks use institutional theory in the light of Shariah governance? Empirical evidence from a Muslim dominant country. *Heliyon*, 10(2).

- Alhammadi, S. (2026). Islamic finance as a driver for enhancing economic sustainability and innovation in the GCC. *Journal of Science and Technology Policy Management*, 17(1), 25–46.
- Aziz, N. I. M. (2025). The Effect of Quantitative Shariah-screening on Portfolio Performance in Malaysia. *Journal of Islamic Finance*, 14(1), 1–13.
- Heravi, F. A., & Sharofiddin, A. (2025). Assessment of Sharia-Compliant Risk Management Framework for Sukuk. *Journal of Islamic Finance*, 14(1), 98–111.
- James, S., & Quaglia, L. (2023). Epistemic contestation and interagency conflict: The challenge of regulating investment funds. *Regulation & Governance*, 17(2), 346–362.
- Jaradat, H., & Oudat, M. S. (2025). Enhancing clarity and transparency in Islamic financial practices: the role of regulatory influence. *Journal of Financial Reporting and Accounting*.
- Minhas, I. H. (2023). Shariah governance for Islamic financial institutions. In *Shariah governance in Islamic banking institutions* (pp. 152–175). Routledge.
- Nawaz, T. (2025). Balancing Shariah Authenticity and Market Stability: A Scenario-Based Framework for Implementing AAOIFI Shariah Standard No. 62 in the Global Sukuk Market. *Journal of Risk and Financial Management*, 18(11), 604.
- Sheikh, R. (2025). Developing ethical investment criteria based on Maqasid Shariah. *Qualitative Research in Financial Markets*.
- Taufik Syamlan, Y., Wahyuni, S., Heruwasto, I., & Hamsal, M. (2026). Exploring sharia compliance parameters in marketing to foster innovation and collaboration within Islamic finance. *Journal of Islamic Marketing*, 17(1), 96–136.
- Tawfik, O. I., Elmaasrawy, H. E., & Hussainey, K. (2025). The impact of Sharia compliance on attracting investments: empirical evidence from GCC. *International Journal of Islamic and Middle Eastern Finance and Management*, 18(1), 23–48.
- Yan, J., Yu, W., & Zhao, J. L. (2015). How signaling and search costs affect information asymmetry in P2P lending: the economics of big data. *Financial Innovation*, 1(1), 19.

Yang, Y., Fang, Y., Wang, N., & Su, X. (2023). Mitigating information asymmetry to acquire venture capital financing for digital startups in China: The role of weak and strong signals. *Information Systems Journal*, 33(6), 1312–1342.