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The Role of Financial Literacy, Financial Knowledge and Financial Attitudes on Financial Management Behavior: Study of the Fisheries Industry in Ambon, Indonesia

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A B S T R A C T

In the fishing industry, financial management behavior can involve decisions related to managing revenue from fish sales, optimizing operational costs, and planning for long-term sustainability. This study aimed to determine the role of financial literacy, financial knowledge and financial attitudes on financial management behavior. This study is research with a quantitative approach and uses primary data obtained from a survey process using a questionnaire, where the survey process was carried out online. The independent variable in this study is financial management behavior (Y). The dependent variable in this study is financial literacy (X1), financial knowledge (X2), financial attitudes (X3). The study results show that there is a significant relationship between financial literacy and financial knowledge, p=0.000. The study results also show that there is a significant relationship between financial knowledge and financial attitudes, p=0.000. The study results also show that there is a significant relationship between financial attitudes and financial management behavior, p=0.000. In conclusion, financial literacy plays a role in increasing financial knowledge. Financial knowledge plays a role in improving financial attitude. Financial attitude plays a role in improving financial management behavior in the fishing industry in Ambon, Indonesia.

1. Introduction

The fishing industry is one of the vital sectors in the Indonesian economy, which provides significant employment opportunities and makes an important contribution to providing protein resources for society (Anderson, 2002). Ambon, which is located in Maluku Province, is one of the regions in Indonesia that has extraordinary potential in the fisheries sector. However, like many other industries, the fishing industry in Ambon is also faced with various challenges, including complex financial management problems. Good financial management is the key to success in business, including in the fishing industry.

Understanding and skills in managing finances, such as financial literacy and financial knowledge, are important elements that can help individuals and business people make smart financial decisions. Apart from that, attitudes toward finances also play a significant role in shaping a person's financial management behavior (Costello, 2008; Hilborn, 2010).

Financial literacy is a basic understanding of financial concepts such as money management, debt management, investment, and how to make a budget. In the fishing industry in Ambon, financial literacy will play an important role because fisheries business people need to understand how to manage their

income and expenses wisely. Individuals or businesses with a high level of financial literacy are more likely to make smarter financial decisions. Financial knowledge is deeper than financial literacy and includes a deeper understanding of more complex financial principles. In the fishing industry, financial knowledge may include an understanding of market prices, pricing strategies, cost management, and long-term financial planning. Good financial knowledge can help business people in this industry make more strategic financial decisions (Asche, 2010; Sanchirico, 2005; Schnier, 2011).

Attitudes towards finance include beliefs, feelings, and perceptions of individuals or business people towards money and financial matters. A positive attitude towards finances, such as a desire to save, invest, or seek financial advice, can encourage better financial management behavior. In the context of the fishing industry in Ambon, a positive attitude towards financial planning can encourage people to allocate funds for emergencies or retirement, which can increase their overall financial stability. This is the end result of financial literacy, financial knowledge, and attitudes towards finance. It includes the financial actions and decisions people make every day, such as budgeting, saving, investing, and managing debt. In the fishing industry, financial management behavior can involve decisions related to managing revenue from fish sales, optimizing operational costs, and planning for long-term sustainability (Shabani, 2012; Smith et al., 2010). This study aimed to determine the role of financial literacy, financial knowledge, and financial attitudes on financial management behavior.

2. Literature Review
Financial literacy

Financial literacy includes the ability to manage money wisely on a daily basis. This includes paying bills on time, controlling expenses, and having an understanding of how much to save or allocate for various purposes. Understanding of types of debt, interest, and how to manage debt effectively. This involves decisions such as whether taking out a particular loan is a wise move or whether it is necessary to plan debt repayment. Financial literacy also includes knowledge of various investment instruments such as shares, bonds, and property. It helps individuals or businesses in making investment decisions that suit their financial goals. The ability to create an effective personal or business budget is an important part of financial literacy. This involves planning income and expenses to suit financial goals and needs. Financial literacy helps individuals or businesses avoid financial mistakes that often occur due to a lack of understanding. With a good understanding of basic financial concepts, a person or company can make smarter decisions, manage risk better, and build a strong financial foundation for the future. Apart from that, financial literacy also plays an important role in increasing overall financial stability and reducing financial uncertainty (Schnier, 2011).

Financial knowledge

Financial knowledge is a deeper and more complex level of understanding compared to financial literacy. In the fishing industry or any industry, strong financial knowledge can be of great benefit. In the fishing industry, understanding market prices is very important. Fishing business people need to know how fish market dynamics work, how fish prices fluctuate throughout the year, and how factors such as weather, seasons, and market demand affect prices. This knowledge allows them to sell their catch at the right time and at a profitable price. Financial knowledge can help fisheries businesses develop wise pricing strategies. They can consider production costs, desired profit margins, and market prices when pricing their products. This can allow them to gain balanced profits between selling products at competitive prices and ensuring the continuity of their business. In the fishing business, effective cost management is the key to maximizing profits. Good

financial knowledge can help businesses identify areas where they can reduce costs without sacrificing the quality of the catch or fish product. This includes managing operational expenses, efficient use of resources, and regular financial monitoring. Fishing businesses also require long-term financial planning to ensure business continuity. Financial knowledge helps in planning long-term investments such as additional equipment, expanded production capacity, or diversification of the business into other fields. Good financial planning can help reduce the risk of bankruptcy and create long-term sustainability. In the fisheries context, financial knowledge can help businesses analyze potential investments, such as purchasing new vessels or more efficient fishing technology. They can use an understanding of the time value of money, rates of return, and investment risks to make more informed and profitable decisions. Strong financial knowledge is a valuable asset for businesses in the fishing industry, as it helps them make smarter decisions, minimize risks, and optimize their financial performance. In an era of increasing complexity and change, financial knowledge also enables better adaptation to changes in the market and business environment (Pascoe, 2002).

Attitude toward finances

Attitudes towards finance and how this can influence financial management behavior, especially in the context of the fishing industry in Ambon. Attitudes toward finance play an important role in shaping how individuals and businesses manage their financial resources. A positive attitude towards saving is an important first step in managing finances wisely. In the fishing industry, savings can be used to respond to fluctuations in fish prices or to deal with emergency situations, such as damage to fishing equipment. A positive attitude towards saving can help individuals and businesses build strong financial reserves. Long-term investments can help individuals and businesses in the fishing industry achieve long-term financial

goals, such as preparing for retirement. A positive attitude towards investing can encourage them to seek investment opportunities that suit their risk profile and financial goals. A positive attitude towards financial planning is the key to creating long-term financial stability. This includes budgeting, tax planning, and retirement planning. In the fishing industry in Ambon, where earnings may be unstable due to seasonal fluctuations, good financial planning can help overcome these challenges. An open attitude to seeking financial advice or consulting with financial experts can provide great benefits. Especially in a complex industry such as fishing, professional advice can help individuals and businesses make better decisions in terms of financial management and investment. Attitudes towards risk also play a role in financial management. Some individuals or businesses may have a conservative attitude towards risk, while others may be more inclined to take greater risks in an effort to achieve higher returns. Understanding attitudes toward risk is important in planning appropriate financial strategies. In a fishing industry that tends to be vulnerable to climate change, price fluctuations, and other risks, having a positive attitude towards finances and careful planning can help individuals and businesses to better overcome these challenges. This not only impacts their financial stability but also the sustainability of the fishing industry as a whole in Ambon, Indonesia.

Financial management behavior

Financial management behavior is a concrete result of a combination of financial literacy, financial knowledge, and attitudes toward one's finances. This is the stage where knowledge and attitudes are implemented in real actions related to finance. In the context of the fishing industry in Ambon, financial management behavior has very important implications. Making a budget is the first step in managing finances well. In the fishing industry, creating a detailed and well-planned budget can help

individuals or businesses track their income and expenses. An effective budget helps in controlling expenses, identifying potential savings, and allocating funds wisely. Saving is an important practice in securing a financial future. For fisheries business people in Ambon, saving can be used to deal with fluctuating fish prices or uncertain seasons. It can also be a reserve for future investments or emergencies. For those who have sufficient income, investing in forms that suit long-term financial goals is a wise move. Investments can take the form of purchasing more efficient fishing equipment, increasing production capacity, or diversifying the business into other sectors. Making good investment decisions requires an understanding of risk and potential returns. For some fishing business players, debt management may be relevant. This may include decisions related to taking out loans to finance investments or working capital. Good debt management includes understanding interest rates, terms, and their impact on cash flow. A sustainable fishing industry requires long-term planning. Fishing business players need to think about how to protect marine resources, run their business ecologically, and ensure the long-term sustainability of their business. This requires an understanding of sustainability aspects from a financial perspective. Good financial management behavior is the foundation for financial success in the fishing industry and in other industries. It enables individuals and businesses to achieve their financial goals, protect themselves from risk, and optimize their financial performance. In a fishing industry that is heavily influenced by external factors, such as weather and price fluctuations, good financial management can help to overcome uncertainty and achieve greater financial stability (Anderson, 2015; DeSombre, 2011; Voyer; 2018).

3. Methods

This study is research with a quantitative approach and uses primary data obtained from a survey process using a questionnaire, where the survey process was carried out online. The independent variable in this study is financial management behavior (Y). The dependent variable in this study is financial literacy (X1), financial knowledge (X2), **and** financial attitudes (X3). Each variable was assessed using questions with answer choices. A five-point Likert scale was adopted to measure the selected items, ranging from 1 (strongly disagree) to 5 (strongly agree). The current research population consists of employees from the private sector who work in industries operating in the fisheries sector in Ambon, Indonesia. A total of 309 research subjects participated in this study. The sampling process was carried out by purposive sampling. Data analysis was carried out using SPSS version 25 software. Univariate analysis was carried out to present the frequency distribution of the data. Skewness and kurtosis are used to ensure data normality. Cronbach's alpha for checking the reliability and internal consistency of the data. Average variance extracted (AVE) to ensure convergent validity. Multiple regression analysis was used to investigate the causal relationships between the study's variables.

4. Results and Discussion

A total of 309 research subjects participated in this study. The majority of research subjects were male, 187 (60.5%) while 122 (39.5%) were female. The majority of research subjects were aged 35-45 years, 202 (65.4%). Acceptable skewness values should be 2 or lower, and kurtosis values should be 7 or lower. Based on the results mentioned in Table 1, all skewness and kurtosis values correspond to the recommended levels. To check the reliability of the data, a reliability test was carried out using Cronbach's alpha. Table 2 shows the values of this test. Statisticians consider a Cronbach's alpha of 0.6 or higher to be acceptable. Table 2 lists the scores for these tests. The Cronbach's alpha (α) values for these variables range between 0.692 and 0.994, which means that all variables are statistically reliable.

Additionally, to ensure convergent validity of the data, average variance extraction (AVE) was performed, and the value of this test should be 0.50 or greater.

Table 1. Normality distribution of data.

Variable	Item	Skewness	Kurtosis
Financial literacy (X1)	X1-1	-.181	.0151
	X1-2	-.532	1.663
	X1-3	-.171	-.622
Financial knowledge (X2)	X2-1	-.033	-.701
	X2-2	-.153	-.142
	X2-3	-.135	-.242
	X2-4	-.063	-.721
	X2-5	-.173	-.132
	X2-6	-.145	-.262
	X2-7	-.162	-.172
	X2-8	-.165	-.272
	X2-9	-.083	-.756
	X2-10	-.069	-.728
	X2-11	-.178	-.138
	X2-12	-.149	-.268
	X2-13	-.164	-.177
	X2-14	-.169	-.277
	X2-15	-.087	-.757
Financial attitudes (X3)	X3-1	-.013	-.216
	X3-2	-.121	-.217
	X3-3	-.216	-.744
	X3-4	-.083	-.756
	X3-5	-.069	-.728
	X3-6	-.178	-.138
Financial management behavior (Y)	Y1	-.148	-.951
	Y2	-.211	.547
	Y3	-.152	.119
	Y4	-.148	.214
	Y5	-.451	.112
	Y6	-.124	.518
	Y7	-.178	-.138
	Y8	-.223	-.026
	Y9	-.164	-.488
	Y10	-.275	-.426
	Y11	-.148	-.951
	Y12	-.211	.547
	Y13	-.152	.119
	Y14	-.148	.214
	Y15	-.451	.112
	Y16	-.124	.518
	Y17	-.455	.132

Table 2. Reliability test.

Variable	Cronbach's Alpha(α)	Convergent validity (AVE)
Financial literacy	0.692	0.69
Financial knowledge	0.754	0.72
Financial attitudes	0.892	0.77
Financial management behavior	0.944	0.79

1301

Table 3. Regression analysis.

Model	Unstandardized coefficients		Standardized coefficients	(t) value	Sig.
	B	Std. Error	Beta		
Financial literacy → Financial knowledge	.238	.017	.266	6.548	.000
Financial knowledge → Financial attitudes	.289	.011	.279	7.632	.000
Financial attitudes → Financial management behavior	.298	.012	.287	7.845	.000

The study results show that there is a significant relationship between financial literacy and financial knowledge, p=0.000. The study results also show that there is a significant relationship between financial knowledge and financial attitudes, p=0.000. The study results also show that there is a significant relationship between financial attitudes and financial management behavior, p=0.000.

Financial literacy helps fishing industry players to better understand the fish market, including price trends, consumer demand, and competition in local and international markets. This understanding allows them to identify opportunities to adapt their production to fluctuating market demand. Fishing industry players often require investment in equipment, vessels, and infrastructure. Financial literacy helps them manage capital wisely, including making decisions about purchasing and maintaining equipment as well as financing investments that may be needed. In some cases, fishing industry players may need to take out loans or debt to expand their business. Strong financial literacy helps them to understand the implications of different types of debt, interest rates, and terms. This allows them to manage debt in a way that is most profitable for their business. The fishing industry is subject to significant risks related to fish price fluctuations, climate change, or changing regulations. Financial literacy enables industry players to better identify, measure, and manage these risks. They can choose financial tools such as insurance or appropriate hedging instruments to protect their business. Financial literacy also contributes to industry players' ability to plan long-term finances, such as retirement planning or allocating funds for the replacement of larger vessels or equipment. This helps in maintaining business sustainability in the future.

Financial knowledge helps fisheries industry players understand the costs and benefits of sustainable practices, such as greener fishing practices or wiser monitoring and management of resources. They can evaluate the investment required to adopt these practices and identify appropriate sources of financing. The fishing industry is often subject to strict regulations aimed at protecting marine resources and marine ecosystems. Financial knowledge helps industry players understand and comply with these regulations. They can allocate budgets for monitoring and compliance and avoid costs and sanctions that may arise from violations. Financial knowledge also helps in environmental risk analysis. Fishing industry players can identify environmental risks that could affect their operations, such as climate change, pollution, or ecosystem disruption. They can plan mitigation actions and allocate funds to address these risks. In an effort to maintain the survival of marine resources, fishing industry players need to consider long-term planning. This involves allocating funds for programs to restore endangered marine resources, as well as conservation and preservation initiatives for marine ecosystems. Financial knowledge enables fisheries industry players to identify and access available sustainable funding sources, such as grants for sustainability projects or

financing that support sustainable fishing practices.

Financial knowledge enables fisheries industry players to understand the importance of diversifying their portfolios. By having a diverse range of fish catches or fishing-related side businesses, they can reduce exposure to fluctuations in the price of certain fish or seasonal changes. The ability to analyze risks systematically helps industry players identify potential threats and opportunities. This includes price risk, weather risk, regulatory risk, and others. By understanding the potential impact of these risks, they can plan appropriate mitigation actions. Financial literacy enables industry players to understand and use hedging instruments such as futures contracts or options to protect themselves from adverse fish price fluctuations. This helps in maintaining a stable income even though fish prices fluctuate. Fishing industry players who understand financial risks tend to adopt a more conservative financial management approach. They may keep enough emergency funds in reserve to weather a bad season or unexpected crisis that could affect their operations. Risk management can also involve collaboration between industry players. They can form associations or cooperative groups to jointly overcome certain risks, such as the risk of regulatory changes or the risk of natural disasters (Anderson, 2002; Smith, 2013).

With good financial literacy, fishing industry players can develop smarter budgets. They can better identify urgent spending priorities, avoid waste, and allocate funds efficiently to various needs, such as ship maintenance, equipment maintenance, or sustainability programs. Financial knowledge enables industry players to develop informed business strategies. They can conduct a more comprehensive SWOT (strengths, weaknesses, opportunities, threats) analysis, consider financial risks and growth opportunities that may arise, and identify concrete steps to achieve business goals. In the context of the fishing industry, the choice of investment in new technology and infrastructure is a key decision.

Financial literacy and knowledge enable industry players to carry out in-depth feasibility analyses, including ROI (return on investment) and NPV (net present value) calculations, to understand whether the investment will be profitable in the long term. Informational decision-making also involves sustainable financial management. With an understanding of concepts such as cash flow, leverage, and long-term financial planning, industry players can take steps to maintain financial stability and sustainable growth. In situations of crisis or unexpected change, financial literacy provides a better understanding of how to overcome challenges. Industry players can calculate the financial impact of the event and take appropriate action, including allocating emergency funds if necessary (Anderson, 2015; Kompas, 2011; Tveteras, 2015).

5. Conclusion

Financial literacy plays a role in increasing financial knowledge. Financial knowledge plays a role in improving financial attitudes. Financial attitude plays a role in improving financial management behavior in the fishing industry in Ambon, Indonesia.

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