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FINANCIAL INDEPENDENCE STRATEGY WITH THE ROLE OF SOCIAL CAPITAL AND HUMAN CAPITAL: MEDIATION OF INNOVATION ABILITY OF FISHERMEN GROUP ON BALEKAMBANG COAST, EAST JAVA

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Abstract
The study aims to elucidate the implications derived from analyzing the direct effects of social capital and human capital on financial independence and innovation, as well as the impact of innovation on financial independence. Furthermore, it elucidates the significance and examination of the impact of social capital and human capital, mediated by innovation, on financial independence. The analytical instrument employed is a structural equation model utilizing Partial Least Squares, accompanied by a mediation test via Sobel. The study sample comprised 52 members of the Kondang Merak Beach fishermen's organization in Balekambang, East Java, Indonesia. The study's findings indicate that social capital does not directly influence financial independence; nevertheless, human capital has a direct and significant impact on both financial independence and innovation. Innovation directly influences financial independence. Innovation cannot mediate the impact of social capital; nevertheless, it can mediate the effect of human capital on financial independence.

Keywords: Social Capital, Human Capital, Innovation, Financial Independence

INTRODUCTION

Indonesia is the largest archipelagic country in the world and has marine and fisheries potential that can be an economic source for fishing communities. Based on data from BPS in 2022, it stated that in 2010 the number of fishermen in Indonesia was recorded at 2.16 million people. However, in 2022, the number was recorded at only 1.83 million people. Thus, there was a decrease in the number of fishermen by 330,000 people throughout 2010–2022.Anggraini(2018) revealed the unstable economic situation and the relatively low and uncertain income of husbands as fishermen, the only people who can help maintain the family's livelihood are women fishermen (fishermen's wives)..Fisherwoman can process fish catches into value-added products, such as processed fish, smoked fish, or ready-to-eat seafood. By working, women can improve family welfare and have financial independence. The financial independence of fisherwomen is very important in ensuring the economic sustainability of their families and fishing communities as a whole. Although often considered part of a more traditional society and tied to household roles, fisherwomen have great potential to become strong agents of economic change in their communities. In addition, the financial independence of fisherwomen also involves active participation in family financial decision-making. They have the same rights to contribute to planning the family budget and determining how the family's financial resources are allocated, such as being able to utilize various financial products available to expand their businesses, reduce financial risks, and increase savings for the future.

The financial independence of female fisherman is affected by social capital considerations. Social capital is the capacity that individuals derive from established habits and elevated trust levels, facilitating the development of reciprocal relationships and collaboration among persons. Social capital facilitates the establishment of communication networks and collaboration among individuals for the attainment and utilization of economic resources (Sawitri and Soepriadi, 2014). Social capital prioritizes trust as its fundamental component, characterized by moral norms such as loyalty and honesty, which serve as a cohesive force for sustaining cooperation among community groupings. Trust enables individuals to collaborate more efficiently (Ismail, 2022). The findings of the research by Saleh et al. (2018), Ambarwati (2019), Lestari et al. (2019), and Suminah et al. (2017) indicated that social capital influences the capacity of rural women and their autonomy in company operations. Conversely, Utami et al. (2023) demonstrated that social capital exerted little influence on independence.

The financial independence of fisherwomen is affected by human capital considerations. The correlation between human capital and the financial autonomy of MSMEs is highly significant. Human capital denotes the knowledge, skills, and abilities possessed by individuals (Hartati, et al, 2021). The human capital that has good knowledge and understanding of financial management can help women fisher groups in planning, managing, and optimizing the use of financial resources. Understanding concepts such as budgeting, cash flow, and financial analysis helps women fisher groups make smart financial decisions and minimize financial risks. Previous research results stating that there is an influence of human capital on independence were carried out by Utami, et al (2023), Atmaja, et al (2020) and Riswanto, et al (2014). However, different results were shown by Hermansyah (2022) showing that there was no influence of human capital on independence.

The role of social capital when combined with human capital, then both capitals are able to play a role in entrepreneurial success. There is still much debate about the role of each capital, but both capitals are able to play a major role in entrepreneurship today, especially in developing countries (Primadona, 2015). This condition is interesting to develop an analysis model of the influence of social capital and human capital on financial independence with innovation capabilities as mediation. Hthe relationship between various aspects of intellectual capital, both human and social, significantly influences the ability to innovate ((Budiarti, 2021)and innovationinfluence on entrepreneurial independence(Ishak, 2022).Innovation capability plays an important role in mediating the relationship between social capital, human capital, and financial independence of fisherwomen. This is because innovation enables fisherwomen to create added value, identify new opportunities, and adapt to market changes (Budiarti, 2021). Strong relationships within social networks support fisherwomen's access to the resources and information needed to innovate. Through connections with customers, suppliers, local communities, and financial institutions, fisherwomen can gain the input, feedback, and support needed to develop new ideas and market them more effectively.

Innovation capacity also depends on the social capital and human capital that exists in fisherwomen, such as knowledge, skills and individual creativity in the organization. (Endri, 2010). Business owners and employees who have extensive knowledge of their industry, strong technical skills, and the ability to think critically and creatively will be better able to generate innovative ideas and implement them in the business. Investment in human capital development, such as training and education, can increase overall innovation capacity (Nasution and Baiquny, 2023). Previous research results stating that there is an influence of social capital on innovation capacity were carried out by Barki, K et al (2017); Bulu YG et al (2009); Budiarti (2021); Adreeva, T et al (2021); Koroglu & Eceral (2017) and Munjal, S & Kundu, S (2017) and Kusuma et al (2023). Meanwhile, innovation capability has an impact on financial independence as previously researched (Beck et al., 2016; Gunarto et al., 2020; Lee et al., 2020; Wall, 2018; Yuan et al., 2021). Based on the description above, the topic of financial independence of members of the Kondang Merak Balekambang East Java fishermen's association with the influence of social capital and human capital as well as innovation mediation needs to be studied and analyzed in depth.

LITERATURE REVIEW

1. Social Capital

Social capital is a person's ability to establish relationships and networks with individuals or groups. Indicators of social capital include social norms, social networks and trust (Azzahra, 2022). According to Fukuyama (2010), social capital is an ability possessed by a community group to be able to overcome various problems faced. The components analyzed in the form of social capital are social networks, the level of trust between members and social norms that apply in MSMEs. Therefore, social capital can help entrepreneurs in developing their businesses by strengthening self-confidence, determination, courage, creativity, and fighting spirit to ensure business continuity (Fitriani et,. al., 2022).

2. Human Capital

something that individuals have that drives individuals to be more enthusiastic about achieving independence in business. Indicators of human capital include: knowledge, skills and expertise (Adriani, 2019). Human capital can help companies reduce market threats by taking advantage of existing opportunities. In addition, human capital can increase the sustainability of the company due to increased productivity and company profits (Sidharta & Affandi, 2016; Soewarno & Tjahjadi, 2020).

3. Innovation Ability

Innovation capability is the ability to develop products or services according to market demand. Indicators of innovation capability include product innovation, process innovation and marketing innovation (Baregheh et al., 2009). Innovation is the identification and exploitation of opportunities to create new products, services or ways of working. Knowledge helps organizations achieve these goals because an opportunity arises from an imbalance of knowledge between one company and another (Lingard et al., 2017). So it is not surprising that the innovation process is often equated with the utilization of new and unique knowledge (Wambui et al., 2017).

4. Financial Independence

The ability of female fishermen to manage their catch. Indicators of financial independence include the ability to solve problems, the ability to manage capital resources, and the ability to make decisions (Utami, et, al 2023). Women's financial independence is seen from the increasing number of women-managed MSMEs that receive financing through this program. With adequate financial support, women can develop their businesses, increase their income, and reduce dependence on the income of others, including their spouses. This financial independence is the foundation for women to be more economically empowered, have greater control over financial resources, and make better decisions for the future of their families. (Kemenkeu.go.id)

DEVELOPMENT HYPOTHESIS

Social Capital Towards Financial Independence

Social assistance might take the form of emotional support, informational support, instrumental support, appreciation support, network support, or social interaction. This study measures social support based on aid from family, friends, leaders, women's empowerment officers, and various institutional organizations. Independence (self-reliance) denotes a condition wherein an individual or entity ceases to depend on external assistance or philanthropy to satisfy their needs (Verhagen, 1996). The research findings about the influence of social capital on financial independence were carried out by Saleh et al. (2018), Ambarwati (2019), Lestari et al. (2019), and Suminah et al. (2017). This study proposes the subsequent research hypothesis:

H1. Social capital affects financial independence

Human Capital Towards Financial Independence

Human capital, encompassing the development of communal knowledge and abilities, as well as the mastery of human resource competencies, is the paramount resource among all reducing resources (Schultz, 2010). Therefore Social capital refers to an individual's capacity to form ties and networks with others or groups. Indicators of social capital encompass trust, social connections, and social standards. The establishment of financial independence arises from the capacity to oversee financial management, ensure financial stability, and assess current financial conditions (Sumani & A. Roziq, 2020). Delafrooz and Paim (2011) assessed financial independence through financial satisfaction, encompassing contentment with both material and non-material facets of one's financial circumstances, perceptions of financial stability, including the sufficiency of financial resources, and the actual quantity of material and non-material financial assets possessed by each individual. A prior study indicating the impact of human capital on independence was conducted by Utami et al. (2023), Atmaja et al. (2020), and Riswanto et al. (2014).

H2. Human Capital influences financial independence

Social Capital on Innovation Ability

Human capital, including the formation of community knowledge and skills, and mastering human resource knowledge and skills is the most important resource in all reduction resources (Schultz, 2010). Therefore Social capital refers to an individual's capacity to form ties and networks with others or groups. Indicators of social capital encompass trust, social connections, and social standards. The formation of financial independence is created because of the ability to manage financial management, financial stability and current financial conditions (Sumani & A. Roziq, 2020). Delafrooz and Paim (2011) measured financial independence as financial satisfaction including satisfaction with the material and non-material aspects of one's financial situation, perceptions of financial stability including the adequacy of financial resources, and the objective amount of material and non-material financial resources owned by each individual. A prior study indicating the impact of human capital on independence was conducted by Utami et al. (2023), Atmaja et al. (2020), and Riswanto et al. (2014).

H3. Social capital influences innovation capability

Human Capital Against Innovation Capabilities

Human capital is a critical human resource that significantly influences the success of a firm (Mushref, 2014). Human capital is a facet of intellectual capital that encompasses human knowledge and experience, influencing surrounding variables. Human capital fundamentally affects the capacity to cultivate economic prospects; with sufficient human capital, individuals will amass contemporary skills, knowledge, attitudes, and progressive activities. Kiran et al. (2022) demonstrate that human capital serves as a catalyst for corporate innovation and enhances firm success. Social capital functions as an intangible asset with the strategic capacity to generate important and unique knowledge that is challenging for competitors to replicate (Mutamba, 2016). This human resource's capability is irreplaceable by other resources, rendering it a crucial asset for generating knowledge, fostering innovation, and enhancing business growth. Research investigating the impact of social capital on innovative capacity was conducted by Barki, K et al (2017); Bulu YG et al (2009); Budiarti (2021); and Kusuma et al (2023). The research hypothesis derived from this study is as follows:

H4. Human capital influences innovation capability

Innovation Ability Towards Financial Independence

The attainment of a business's financial objectives is significantly influenced by efficient cost management, prudent financial oversight, judicious investment decision-making, and robust stakeholder relationship management (Supatmin, 2023). Business professionals must possess knowledge of financial management and a comprehensive awareness of procedures and strategies for effectively managing financial elements to attain financial independence. Innovation positively influences bank growth and is crucial in the contemporary digital technology landscape, suggesting that promoting business innovation affects financial autonomy (Beck et al., 2016; Gunarto et al., 2020; Lee et al., 2020; Wall, 2018; Yuan et al., 2021). According to the aforementioned study, the research hypothesis is articulated as follows:

H5. Innovation capability has an impact on financial independence.

Innovation Ability Mediates the Influence of Social Capital on Financial Independence

Social capital encompasses both actual and potential resources associated with the ownership of a stable institutional relationship network founded on mutual knowledge and recognition. Consequently, the extent of social capital possessed by a group member is contingent upon the quantity and quality of the relationship network they can establish. The impact of social capital on innovative capacity arises from the capability to Drucker (2008) Innovation encompasses not only the generation of ideas or concepts but also the transformation of creative thoughts into viable propositions. Innovation is a fundamental component in achieving corporate success and financial autonomy. Nurdin (2016) defines innovation as the introduction and implementation of novel techniques or processes, manifested through goods and services, or the adoption of new models derived from other companies. Innovation can establish financial independence by developing new financial tools, technology, institutions, and markets.

H6. Innovation mediates the influence of social capital on financial independence.

Innovation Ability Mediates the Effect of Human Capital on Financial Independence

Human capital is receiving more attention along with increasing globalization and saturation in the labor market. From an individual perspective, Collis and Montgomery (1995) stated that the importance of human capital depends on the degree to which it shows a contribution to the creation of competitive advantage. A study conducted by Wu and Sivalogathasan (2013) found a relationship between intellectual capital elements and innovation capabilities and organizational performance of companies in Sri Lanka, with human capital indicators having a positive and significant effect on the innovation capabilities of the company. Innovation capability is a form of a business's ability to generate new ideas in the operational process of the business. Ndubisi & Iftikhar (2012) that the innovation variable can directly affect the independence variable. This innovation element is important because it provides added value to business performance. More specifically, Saunila (2014) who researched MSMEs in Finland found the influence of innovation capabilities on financial and operational independence.

H7. Innovation mediates the effect of human capital on financial independence.

The conceptual framework of the research is depicted as follows:

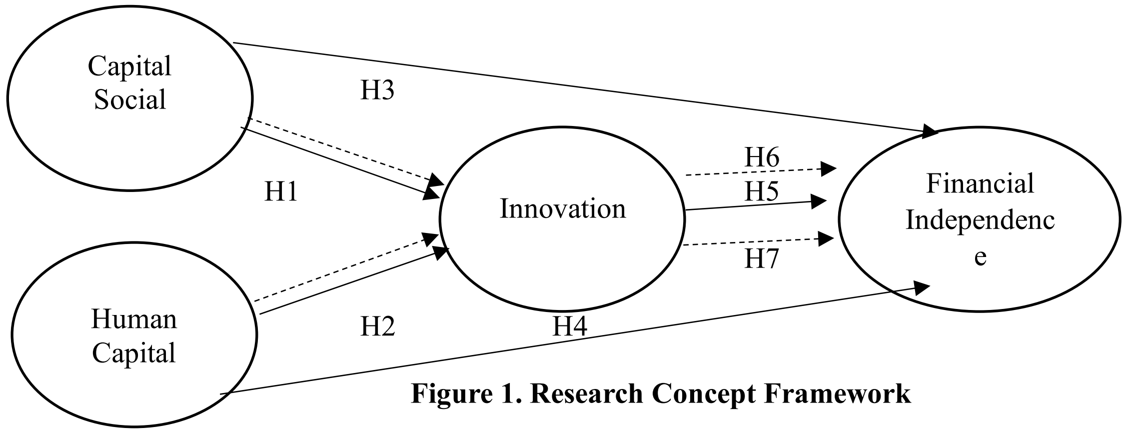

Figure 1. Research Concept Framework

Information:
→ : Direct Effect
⇢ : Indirect Effect

METHODS

Research design

This study is explanatory in nature, involving the testing of the given hypothesis. Hypothesis testing is conducted with Structural Equation Modeling analysis via Partial Least Squares and mediation assessment by the Sobel test. Data collecting methods employing questionnaires derived from instruments established on already validated variables and indicators, utilizing a Likert scale for variable measurement (ranging from 1 to 5).

Population and Sample

The population of this study was female fishermen in Balekambang Beach, Malang Regency, who have businesses such as: fish sellers at the fish market, stalls that provide fish dishes that are members of an association of 52 women's association members. Determination of the number of samples using saturated sampling techniques, all population numbers are used as samples. Meanwhile, the measurement instrument in the research is a description of the variables and indicators, which are explained in the following table 1:

Table 1. Research Instruments

No	Variables	Indicator	Source
1	Financial Independence	Current Financial Condition	Delafrooz & Paim (2011) Adam et al (2017) Sabri & Gudmunson (2012): Sumani & A. Roziq (2020):
		Financial management skills	
		Financial Stability	
2	Social Capital	Ability to build cooperation	Muchtar, 2009 Neat, 2015 Gelderman et al. (2016) Camp (2014) Maika & Kiswanto, 2007
		Ability to build trust	
		Participation in local communities	
3	Human Capital	Knowledge	Mushref (2014) Amalia, 2022 The Blacksmith (2015) Fernanda (2016)
		Skills	
		Ability	
4	Innovation	Product Innovation	Nybakk Erlend (2012): Ramos et al (2014): Sidek (2013): Martines Serra et al (2016). Lin et al., (2010) and Toma et al., (2014)
		Process Innovation	
		Marketing Innovation	

RESULT AND DISCUSSION

Instrument Testing

Prior to utilizing the instrument for study, it must first be evaluated on numerous designated respondents. The evaluation of research instruments was conducted with a limited sample of 30 respondents. The validity and reliability of the TestResult instrument are presented in Table 2 below:

Table 2. Results of Item Validity and Reliability Test

Variable	Items	Correlation		Coefficient	
		rcount	status	alpha	status
Social Capital	X1.1	0.498	Valid	0.906	Reliable
	X1.2	0.589			
	X1.3	0.410			
Human Capital	X2.1	0.775	Valid	0.925	Reliable
	X2.2	0.823			
	X2.3	0.677			
Innovation	Y1.1	0.735	Valid	0.810	Reliable
	Y1.2	0.714			
	Y1.3	0.676			
Financial Independence	Y2.1	0.812	Valid	0.714	Reliable
	Y2.2	0.722			
	Y2.3	0.701			

The validity and reliability test results indicate that all questioned items are valid and reliable, as they meet the validity criterion of Pearson's product-moment correlation coefficient (r) of 0.3 and the reliability criterion of Cronbach's alpha value of 0.6 or higher.

Confirmatory Factor Analysis Results

The results of the confirmatory factor analysis test are presented in Table 3.

Table 3. Factors Loading (λ) Measuring the social capital,human capital, innovationandfinancial independence

Variables and Indicators			FL
Social Capital	->	Ability to build cooperation	0.969
Social Capital	->	Ability to build trust	0.963
Social Capital	->	Participation in local communities	0.731
Human Capital	->	Knowledge	0.746
Human Capital	->	Skills	0.710
Human Capital		Ability	0.623
Innovation	->	Product Innovation	0.638
Innovation	->	Process Innovation	0.638
Innovation	->	Marketing Innovation	0.749
Financial Independence	->	Current Financial Condition	0.699
Financial Independence	->	Financial management skills	0.773
Financial Independence	->	Financial Stability	0.677

Table 4 elucidates that all factors are significant in the development of social capital, human capital, innovation, and financial independence. The capacity to foster collaboration is the most significant indicator of social capital, knowledge serves as the paramount indicator of human capital, marketing innovation is the foremost indicator influencing innovation, and financial management skills represent the strongest indicator for achieving financial independence.

SEM Analysis Results

Test results with *Structural Equation Modeling*(SEM), are presented in Figure 1 below.

Validity Model

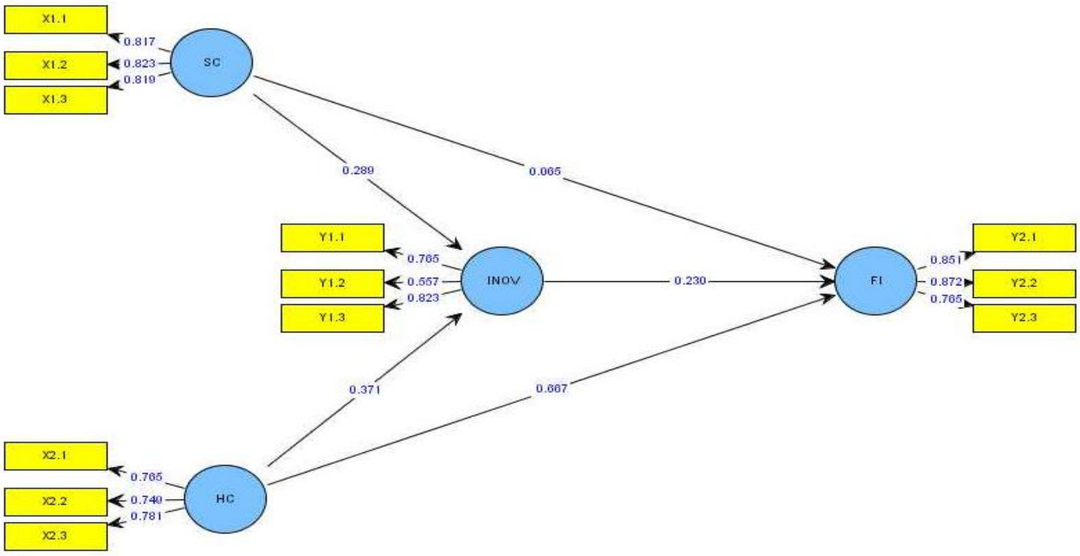

Figure 2.validity model

Complete results of SEM analysis usingPartial Least Square can be seen in Figure 1 which can explain that the model can be categorized as suitable and feasible to use, because the factor loading value is > 0.5, so the indicator is categorized as valid.

Average variance extracted (ave)

The Average Variance Extracted (AVE) is utilized in convergent validity assessment as it is derived from the output of convergent validity analysis. This investigation anticipates an AVE value of 0.5; hence, all latent variable constructs have values above 0.5. The AVE results are presented in Table 4 below:

Table 4. Results of Average Variance Extracted

Construct	Average Variance Extracted (AVE)
Social Capital	0.672
Human Capital	0.587
Innovation	0.524
Financial Independence	0.690

The table above shows that all constructs have an AVE value above 0.5. Therefore, the convergent validity test is fulfilled.

Composite reliability

The final stage in the outer model evaluation is to assess the unidimensionality of the model to eliminate any measurement-related issues. The unidimensionality assessment is conducted by composite reliability and Cronbach's alpha. The threshold value for both indicators is 0.7.

Table 5. Composite reliability results

Construct	Composite reliability
Social Capital	0.860
Human Capital	0.809
Innovation	0.763
Financial Independence	0.869

The table above shows that all constructs have a composite reliability value above 0.7. Therefore, no unidimensionality problems were found.

Structural Model or Inner Model Testing

The evaluation of the structural model, or the Inner Model, involves assessing the R2 value of the latent variable by the Geisser Q Square test, followed by an examination of the magnitude of the structural path coefficient. The reliability of the structural route coefficient estimate is assessed by the t-statistic test derived from the bootstrapping method. The inner model assessment is shown by the R-squared value in the equation involving latent variables. The R-Square calculation results are presented in Table 4.

Table 6. R-Square Calculation Results

Construct	R-Square
Innovation	0.301
Financial Independence	0.695

To evaluate the model's feasibility, the total determination coefficient (Q2) was employed, as indicated by the calculation results in Table 4.Q-square assesses the efficacy of the model in generating observation values and its parameter estimations. A Q-square number over zero (0) signifies that the model possesses predictive significance, whereas a Q-square value below zero (0) denotes diminished predictive relevance. The Q-square value is calculated using the following formula:

$$Q^2 = 1-(1-R_1{}^2)*(1-R_2{}^2)$$

The calculation of Q-square using the R-square data in the three models above can be done as follows:
Q2 = 1 - (1-0.3012) x (1-0.6952)
Q2 = 1 - (0.909) x (0.517)
Q2 = 1 - (0.470)
Q2 = 0.530

The Q-square (Q2) calculation yielded a value of 0.530, indicating that the research model accounts for 53% of the contribution of social capital, human capital, and innovation to financial independence, thereby demonstrating a significant predictive relevance.

Hypothesis Testing Results

The PLS methodology is employed to evaluate intricate hypotheses by assessing the impact of independent factors (exogenous) on a dependent variable (endogenous). Consequently, to determine the validity of the study hypothesis, the threshold value of the t-table is set at 1.960. Therefore, if the t statistic for the examined path is ≥ 1.960, the study hypothesis is validated. The comprehensive test results are presented in Table 7.

Table 7 Results of Regression Weight Analysis

Connection					Path Coefficient	T-Statistic	Caption
SC	->	FI	-	-	0.065	0.611	No Sign
HC	->	FI	-	-	0.667	8.012	Sig
SC	->	Innovation	-	-	0.289	3.437	Sig
HC	->	Innovation	-	-	0.371	4.453	Sig
Innovation	->	FI	-	-	0.230	2,753	Sig
SC	->	Innovation	->	FI	-	0.601	No Sign
HC	->	Innovation	->	FI	-	3,892	Sig

The impact of social capital on financial independence yields a t-statistic value of 0.611, which is less than 1.960; thus, the hypothesis asserting that social capital has a large direct effect on financial independence is not supported. The impact of human capital on financial independence yields a t-statistic of 8.012, exceeding 1.960, thereby validating the hypothesis that human capital significantly affects financial independence. The impact of social capital on innovation yields a t-statistic of 3.437, which exceeds 1.960; hence, the hypothesis asserting that social capital significantly affects innovation is accepted. The impact of human capital on innovation yields a t-statistic of 4.453, which exceeds 1.960, so validating the hypothesis that human capital significantly influences innovation. The impact of innovation on financial independence yields a t-statistic of 2.753, which exceeds 1.960, so validating the hypothesis that innovation significantly affects financial independence.

The testing results indicate that innovation does not mediate the effect of social capital on financial independence, as evidenced by a t-statistic value of 0.601, which is less than 1.960, therefore rendering the hypothesis unsubstantiated. The testing results indicate that innovation mediates the effect of human capital on financial independence, evidenced by a t-statistic value of 3.892, which exceeds the threshold of 1.960; thus, the hypothesis is accepted.

Discussion

The influence of social capital on financial independence

The investigation demonstrates that social capital does not influence financial independence. This outcome can be elucidated by the observation that financial independence, as demonstrated by the women of Balekambang Beach in Malang Regency through their financial conditioning, management, and stabilization skills, is not affected by social capital, which encompasses the capacity to foster cooperation, establish trust, and engage in community participation. The significance of social capital is derived from the dynamics of social interactions among communities or groups in an activity, which hinders the potential for individual financial autonomy in financial management. Sawitri and Soepriadi (2014) indicated that social capital facilitates the development of communication networks and collaboration among individuals to attain and leverage economic resources. The core focus of social capital is trust, which constitutes a moral standard. The findings of this study align with the research by Utami et al. (2023), which indicates that social capital does not affect independence.

The influence of human capital on financial independence

The investigation demonstrates that human capital affects financial independence. This outcome can be elucidated by the fact that women at Balekambang Beach, Malang Regency exhibit autonomy in financial management, as evidenced by their financial conditioning, proficiency in financial management, and capacity to stabilize finances, all attributable to the influence of human capital through knowledge, skills, and competencies in financial administration. Women in Balekambang Beach, Malang Regency, possessing proficient knowledge and awareness of financial management, can assist women's fisherman organizations in planning, managing, and optimizing financial resources. Comprehending concepts such as budgeting, cash flow, and financial analysis enables women fishermen organizations to make informed financial decisions and mitigate financial risks. mHartati et al. (2021) define human capital as the knowledge, skills, and abilities of individuals. According to Kamukama (2011), human capital is cultivated to leverage employee knowledge, education, occupational credentials, work-related competencies, and entrepreneurial spirit. The findings of this study align with the studies undertaken by Utami et al. (2023), Atmaja et al. (2020), and Riswanto et al. (2014), indicating that human capital influences independence.

The influence of social capital on innovation

Based on the results of the analysis, it is proven that social capital influences innovation. This result can be explained thatwomen on Balekambang Beach, Malang Regency will have innovations that are shown by product innovation, process innovation and marketing innovation of marine fish catches which can provide added value because of the role of social capital which is shown ability to build cooperation, ability to build trust and participation in local communities.mStrong relationships in social networks support fisherwomen's access to the resources and information needed to innovate. Through connections with customers, suppliers, local communities, and financial institutions, fisherwomen can obtain the input, feedback, and support needed to develop new ideas and market them more effectively. This is because innovation enables fisherwomen to create added value, identify new opportunities, and adapt to market changes (Budiarti, 2021). The results of this study are in line with research conducted by Barki, K et al (2017); Bulu YG et al (2009); Budiarti (2021) and Kusuma et al (2023) that there is an influence of social capital on innovation capability.

The influence of human capital on innovation

The analysis demonstrates that human capital affects innovation. This outcome can be elucidated by the fact that women at Balekambang Beach, Malang Regency, will implement innovations manifested in product innovation, process innovation, and marketing innovation of marine fish catches, which generate added value due to the influence of human capital, evidenced by the effective utilization of existing human resources through knowledge, skills, and abilities. organization proprietors with a comprehensive understanding of their enterprise, robust technical expertise, and the capacity for critical and creative thinking will be more adept at generating and executing innovative ideas within the organization. Investments in human capital development, including training and education, can enhance total innovation potential (Nasution and Baiquny, 2023). The findings of this study align with the research undertaken by Kusumawijaya & Asturi (2023), Adreeva et al. (2021), Koroglu & Eceral (2017), and Munjal & Kundu (2017), which showed that human capital influences innovation capabilities.

The Impact of Innovation on Financial Independence

The investigation demonstrates that innovation affects financial independence. The women's organization at Balekambang Beach, Malang Regency, is enhancing their business by creating seafood items and offering a variety of ready-to-eat foods through the establishment of food stalls. The innovation in their processes, achieved through the development of many chilli sauce products derived from sea fish, can enhance their financial autonomy. To achieve financial independence, the women's fishermen organization at Balekambang Beach innovates marketing by offering diverse beach tourism options alongside dining establishments. They also offer lodging facilities to meet the demands of visitors to Kondang Merak Beach - Balekambang, Malang Regency, hence fostering financial independence. The findings of this study corroborate the investigations conducted by Beck et al. (2016), Gunarto et al. (2020), Lee et al. (2020), Wall (2018), and Yuan et al. (2021).

Innovation Mediates the Effect of Social Capital on Financial Independence

The analysis demonstrates that innovation does not mitigate the impact of social capital on financial independence. This indicates that the innovative capabilities in process, product, and marketing among the Kondang Merak Balekambang fisherwomen in Malang Regency have not effectively optimized their capacity to foster robust collaboration with other fishermen or suppliers. The innovative capacity possessed by fisherwomen is suboptimal and fails to facilitate trust between fishermen and consumers. In establishing financial independence, fisherwomen contribute more to human capital than to social capital. The findings of this study corroborate the research by Utami et al. (2023), which indicated that social capital does not affect independence.

Innovation Mediates the Effect of Human Capital on Financial Independence

The analysis demonstrates that innovation can mitigate the impact of human capital on financial independence. Innovation, encompassing product, process, and marketing dimensions, can cultivate human capital through the expertise acquired from parental backgrounds as a fisherman and through training aimed at enhancing abilities for company development. Communication skills are essential in corporate development, facilitating the identification and management of risks and the formulation of solutions to challenges. The capacity to innovate, which facilitates human capital towards financial independence, establishes a stable financial state for women fisherman, enabling them to manage their finances and sustain their financial stability. This study's findings corroborate the research of Barki, K et al (2017); Bulu YG et al (2009); Budiarti (2021); and Kusuma et al (2023), indicating that human capital influences financial independence.

CONCLUSION, IMPLICATION/LIMITATION AND SUGGESTION

Social capital does not directly influence financial independence; nevertheless, it does have a direct impact on innovation. Human capital directly influences financial independence and creativity. Innovation influences financial independence. Innovation cannot facilitate social capital for financial independence, but it can enhance human capital in relation to financial independence. This study enhances Resource Based Theory, referencing Barney (1991, 2010) and Ireland et al. (2003), by demonstrating that fisherwomen who effectively manage human resources through their knowledge, skills, and talents can attain financial independence and foster innovation. Fisherwomen in Kondang Merak Balekambang, Malang Regency, have developed innovative goods by transforming marine resources into appealing food items for beachgoers. Establishing a tourist village that offers many amenities to cater to the demands of visitors at Kondang Merak Beach.

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