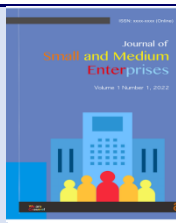
JSME
Journal of Small and Medium Enterprises

Journal of Small and Medium Enterprises Vol.3 (No.2) 2024: XX-XX

Journal of Small and Medium Enterprises

https://jsme.ppj.unp.ac.id/index.php/jsme
ISSN: ; e-ISSN:



Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience : The Measurement Model

Belsa Nabila[1], Erni Masdupi[2*]
[1] Department of Management, Faculty of Economics and Business, Padang State University, Indonesia

INFO ARTIKEL

Diterima 8 November 2024
Disetujui 5 Januari 2025
Diterbitkan 16 Januari 2025

Kata Kunci:
Kinerja Keberlanjutan, Inovasi, Pilihan Pembiayaan Kewirausahaan, Ketahanan Kewirausahaan.
.

ABSTRAK

Tujuan dari penelitian ini adalah untuk mengevaluasi indikator yang digunakan dalam model untuk memastikan bahwa suatu konstruk (variabel) dapat didefinisikan. Untuk memperkirakan pengukuran model penelitian, teknik Confirmatory Factor Analysis (CFA) digunakan untuk innovation, entrepreneurial financing choice, sustainable performance, dan entrepreneurial resilience. Tujuannya adalah untuk mengetahui bagaimana masing-masing indikator berkorelasi dengan variabel latennya. Structural Equation Modeling (SEM) sangat membantu dalam menentukan kebenaran variabel dan komponen yang mempengaruhinya. Hasil penelitian telah memenuhi nilai convergen validitas sesuai dengan nilai yang disyaratkan untuk variabel innovation, entrepreneurial resilience, sustainable performance, dan entrepreneurial financing choice. Indikator-indikator tersebut dapat menggambarkan variabel Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience. Semua indikator dari masing-masing variabel telah memiliki nilai Standardized Loading (SL) di atas 0,5 dan nilai CR lebih besar dari 2, dimana menunjukkan hubungan variabel valid serta semua indikator telah tingkat 0,001. Hasil pengukuran CFA Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience telah memenuhi convergen validity dan seluruh nilai Goodness of Fit (GOF) menunjukkan better fit yang telah memenuhi cut off value. Sehingga dari hasil pengukuran semua variabel telah menunjukkan kesesuaian yang baik dan dapat dikatakan bahwa model pengukuran telah sesuai.

DOI:10.24036/jsme.xxxxxxxx

Keywoard:
Sustainable Performance, Innovation, Entrepreneurial Financing Choice, Entrepreneurial Resilience.

ABSTRACT

The purpose of this study is to evaluate the indicators used in the model to ensure that a construct (variable) can be defined. To estimate the measurement of the research model, Confirmatory Factor Analysis (CFA) technique is used for innovation, entrepreneurial financing choice, sustainable performance, and entrepreneurial resilience. The aim is to find out how each indicator correlates with its latent variable. Structural Equation Modeling (SEM) is very helpful in determining the truth of the variables and the components that influence them. The research results have met the convergent validity value in accordance with the required value for innovation, entrepreneurial resilience, sustainable performance, and entrepreneurial financing choice variables. These indicators can describe the variables of Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience. All indicators of each variable have Standardized Loading (SL) values above 0.5 and CR values greater than 2, which indicates valid variable relationships and all indicators have a level of 0.001. CFA measurement results of Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience have met convergent validity and all Goodness of Fit (GOF) values show a better fit that has met the cut off value. So that from the measurement results all variables have shown a good fit and it can be said that the measurement model is appropriate.

How to cite: : Nabila, Belsa & Erni Masdupi (2024). Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience: The Measurement Model. *Jurnal Kajian Manajemen Bisnis. Vol (No)*, xx-xx. DOI: https://doi.org/10.24036/jkmkxxxxxxx

* Corresponding author: e-mail: belsanabila@gmail.com

INTRODUCTION

Today, not only large companies but also small and medium-sized companies in Indonesia can implement sustainability performance. Companies are not only valued economically, but also socially and environmentally. The triple bottom line theory emerged as a result of society's concern about the responsibility of companies to their environment. According to sustainability theory, companies should respond to societal priorities such as social, environmental, and economic well-being (Meadows et al., 1992). The TBL concept emphasizes that creating sustainable performance requires a balance of economic, social, and environmental responsibilities (Elkington, 1997). Sustainability reports are now one type of media that conveys sustainability initiatives that include social, economic, and environmental aspects (Channuntapipat, 2021). This is based on a survey conducted in 2022 by KPMG which states that 250 of the world's leading companies (G250) have reported on sustainability, where the reporting rate is still the same as in 2020 at 96% (KPMG, 2022).

This study uses Structural Equation Modeling (SEM) analysis to ensure that the data is normally distributed. The measurement model test is used to ensure it, the measurement model test is used to evaluate the indicators used in the model to ensure that a construct (variable) can be defined. Confirmatory Factor Analysis (CFA) is an analytical tool that can test theoretical concepts or hypotheses that cannot be directly measured and observed. It is used in the measurement model (Ketchen, 2013) . To estimate the research model, the CFA technique can be used to determine the construct factor validity and variable loading. The main purpose of CFA is to evaluate how well the indicators of each variable can explain the latent variable. In this study, the construct validity of the measurement model of Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience was tested.

In this study, there are four latent variables or four constructs including Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience. This article consists of five parts: introduction, literature research, methods, results, and discussion, and conclusion.

LITERATURE REVIEW

The Measurement Model

The measurement model test is part of SEM measurement, which uses confirmatory factor analysis (CFA) to show the relationship between latent variables and their indicators. The purpose of the measurement model is to show how precisely the manifest variable can explain the latent variable. Reliability test and validity test can be used to perform measurement model. The model validity test aims to measure the accuracy and accuracy of the measuring instrument in determining its function. If the coefficient number of an indicator's score with the total indicator is greater than or equal to at least 0.3, then the instrument is considered valid. However, the model measurement reliability test aims to explain how the indicated or observed variables (indicators) work by showing the hidden structure to be evaluated. A measure can indicate the degree to which each indicator samples a construct or latent factor, which is a common reliability test.

The measurement model approach is used in assessing the amount of construct reliability and variance extracted from each variable. This approach has a limit value that can be used in assessing construct reliability which is acceptable ≥ 0.7 while for an acceptable variance extracted value ≥ 0.5.
The Goodness of Fit (GOF) index is a criterion used to assess the fit of an index with various model fit criteria and cut off values, which are used to determine whether a model is acceptable or not. The

Goodness of Fit index determines the validity of the model measurements. Therefore, this GOF shows the comparison between the specified model and the convariant matrices between variable indicators (Purba, 2010). Three measures, Absolute Fit Measures, Incremental Fit Measures, and Parsimonious Fit, can be used to measure GOF. Absolute Fit Measures are used to measure overall model fit, both structural and joint models. Chi Square, significant probability, RMSEA (The Root Mean Square Error of Approximation), GFI (Godness of Fit Index), and CMIN/DF are standards for measuring absolute fit measures. Second, Incremental Fit Measures are used to compare the suggested model with the baseline model, or null model. Incremental Fit Measures use AGFI (Adjust Goodness of Fit), TLI (Tucker Lewis Index), and NFI (Normal Fit Index). Third, Parsimonious Fit is measured using chi square, significant probability, RMSEA (The Root Mean Square Error of Approximation), GFI (Godness of Fit Index), and CMIN/DF.

The purpose of the chi square value is to indicate any deviation between the model (fitted) variance matrix and the sample variance matrix. A chi square value that is low and at least 0.05 is considered good if the feeding model has a lower chi square. The probability significance method is used to evaluate the significance level of the model. The purpose of RMSA is to calculate the deviation between the population covariance matrix and the model parameter values. RMEA values below 0.05 indicate that the model fit is excellent, RMSEA values less than or equal to 0.008, and RMSEA values above 1.00 indicate that the model needs to be improved. Therefore, the accepted value for this test ranges between 0.05 and 0.08.

Actual observed data is compared with the predicted overall model fit level (Purba, 2010). In the test, GFI has a non-statistical measure that has a value ranging from 0 to 1 which indicates a good fit. Better fit occurs when the index has a high value. Goodness of fit is found from the chi square value divided by the degree of freedom measured by CMIN/DF. The results show that if the relative chi square value is less than 2, then the model can be considered fit.

AGFI is a development of GFI adjusted for the proportion of model degrees of freedom in the null model. If the acceptance rate is equal to or higher than 0.90. The purpose of the Tucker Lewis index is to compare the tested model with the baseline model. The NFI or normal fit index is a measure of model fit on a comparative basis against the baseline, or null model, where the null model states that the variables in the estimated model are not interconnected. A value of 0.95 or closer to 1 indicates a very good fit. As long as the recommended NFI value is not less than 0.90, the final step in structural equation modeling (SEM) is to perform interpretation to determine the validity of the model created. However, if the GOF criteria still show a marginal that does not meet the exclusion value, then model modifications need to be made.

Resource Based View (RBV)

The Resource Based View (RBV) theory was first published in 1984 by Wernerfelt, who emphasized that a firm's internal resources and capabilities are critical to gaining profits and maintaining a competitive advantage (Xiao, 2018). Firms have a kind of heterogeneity, or differences that if rare, difficult to imitate, and difficult to replace, will allow the firm to maintain its competitive advantage (Barney, 1991).

Sustainable Performance

The ability of a company or organization to achieve economic, social, and environmental goals in a consistent or sustainable manner by considering the economic, social, and environmental impacts of their activities in the future is known as sustainable performance. Based on the Triple Bottom Line (TBL) model, sustainability is the idea that drives organizational performance assessment. The TBL model expands the elements of organizational performance measurement from the conventional bottom line to three bottom lines-economic, environmental, and social sustainability (Elkington, 1997).

Innovation

Innovation is the introduction of new concepts, processes, services, or products in an organization to adapt to environmental changes, and can be seen as the adoption of new ideas, methods, services, or products (Shamsuddin et al., 2017). Innovation can be in the form of new products, improvements in processes, application of new technologies or new policies in marketing and company management.

Entrepreneurial Financing Choice

Entrepreneurial Financing Choice is a source of funding for businesses that can come from formal or informal loans (Dudley, 2021). To choose the best source of funding for a business or entrepreneurship, it is important to understand the types (Andrieu & Groh, 2012). Formal and informal lending arrangements are necessary in financing entrepreneurship. Information asymmetry, liquidity provision, and risk sharing are components of formal lending.

Entrepreneurial Resilience

From a business point of view, resilience can be defined as a company's ability to survive in situations of financial stress and efforts to thrive in a change. Entrepreneurs' capabilities can be enhanced by entrepreneurial resilience. It can help them adapt to an unstable and changing business environment, survive internal and external shocks, bounce back from failure, regain confidence in entrepreneurship, learn about entrepreneurship, find entrepreneurial opportunities, and cope with entrepreneurial stress (Liu et al., 2023). Organizational resilience is related to environmental changes and incidents that can threaten organizational stability and security (Annarelli & Nonino, 2016).

METHOD

This type of research includes quantitative research, which uses numerical data to test hypotheses and answer questions. Numerical data can be obtained from various sources, such as observation, experiments, questionnaires, and surveys.

This research uses nonprobability sampling techniques, which means that each element of the population does not have the same opportunity to be taken as a sample. However, the sample selection method used in this study was not randomly selected, this method was chosen because of the ease of obtaining data and the freedom to select samples. This study uses 350 samples, which comes from 10 times the number of indicators.

Operational Definition of Variables and Variable Measurement

In this study, to see the operational definition of variables and variable measurements, it is presented in Table 1.

Table 1. Operational Definition of Variables and Variable Measurement

No	Variable	Definition	The number of indicators	Scale
1	Sustainable Performance	The ability of a business to achieve its economic, social and environmental goals in a sustainable manner (Mengistu & Panizzolo, 2021).	16	Likert scale

2	Innovation	The process of creating or developing something already exists in terms of organization, product, marketing and process (Danarahmanto et al., 2020).	8
3	Entrepreneurial Financing Choice	Entrepreneurial financing options are a choice of funding sources for a business that can come from formal or informal loans (Dudley, 2021).	6
4	Entrepreneurial Resilience	The abilities that entrepreneurs have in order to survive such as cognitive, behavioral, emotional, relational, financial abilities (Iborra et al., 2020).	5

Previous studies show that there are various indicators used to assess the variables of Innovation, Entrepreneurial Financing Choice, Sustainable Performance, and Entrepreneurial Resilience. These indicators do not have a limit, but the choice of indicators is evaluated based on their suitability to small and medium enterprises (MSMEs) in West Sumatra Province.

To test the normality of the data, AMOS 26 was used. The normality criteria used the skewness and kurtosis critical ratio (CR) values, which have a range of values from -2.58 to +2.58 with a significance level of 0.01. Data is considered multivariate normal if the multivariate critical ratio value is <3. After the normality test stage was completed, 22 data were found to have outliers because the P2 value was smaller than 0.01. Therefore, these 22 data must be discarded or eliminated, bringing the total data used to 340 data.

RESULT AND DISCUSSION

This study uses the structural equation modeling (SEM) method, which uses the AMOS version 26 analysis tool for SEM modeling. The CFA analysis conducted on 340 data was cleaned with the outlier test. In this case, the variables include Innovation, Entrepreneurial Financing Choice, Sustainable Performance, Entrepreneurial Resilience.

Confirmatory Factor Analysis (CFA) of Innovation Variable

The innovation variable consists of eight indicators, and the CFA test results for the innovation variable are shown in Figure 1.

The processing results show that the CFA measurement for innovation variables has not met an acceptable fit on the Goodness of Fit Index value. Therefore, to improve the model, it is necessary to change the indices, where the error value of each indicator is correlated with the error value of other indicators in accordance with the recommended modification indeces displayed on the AMOS software which can reduce the chi-square value and be able to achieve GOF fit. The results of processing modification of innovation variables can be seen in Figure 2.

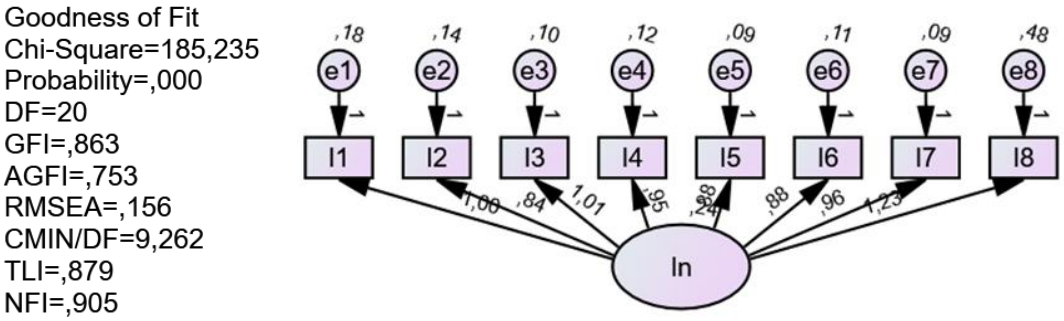


Figure 1. CFA Innovation Variable

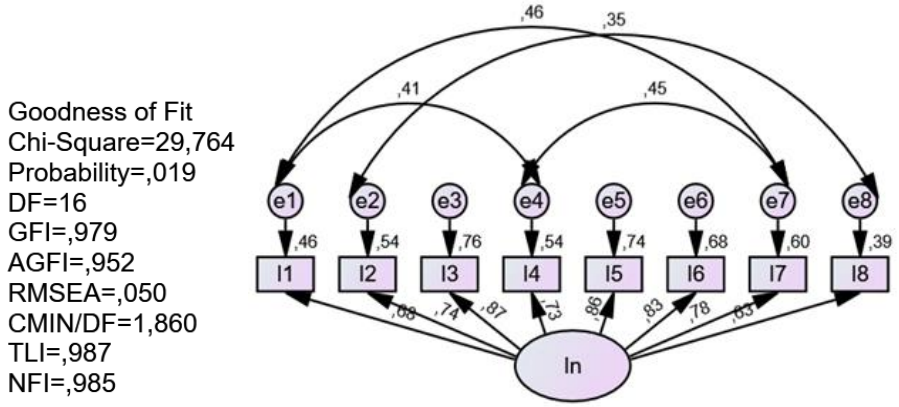


Figure 2. Modification Indices Innovation Variable

The error values are associated between e1 with e7, e4 with e7, and e1 with e4 are some of the indicators in the CFA Innovation model, as shown in Figure 2, this right is done to reduce the chi-square value. to meet the GOF criteria listed in Table 2.

Table 2. Goodness of Fit Innovation Modification

Goodness of Fit Index	Cut off Value	Estimate Result	Evaluation
Chi-square	≥ 0,05	29,764	Better Fit
DF	-	16	-
Probability	≥ 0,05	0,019	Marginal
RMSEA	≤ 0,08	0,05	Better Fit
CMIN/DF	≤ 2,00	1,86	Better Fit
GFI	≥ 0,90	0,979	Better Fit
AGFI	≥ 0,90	0,952	Better Fit
TLI	≥ 0,90	0,987	Better Fit
NFI	≥ 0,90	0,985	Better Fit

Source : Amos 26

Table 3 shows the Standardized Loading (SL) values of all Innovation indicators.

Table 3. Standardize Loading Factor of Innovation

Latent	Indicator	SL	SL^2	Measurement Error (1-SL^2)	S.E	C.R	P
Innovation	I1	0,675	0,456	0,208	0,019	11,958	0,000
	I2	0,735	0,540	0,292	0,012	11,642	0,000
	I3	0,873	0,762	0,581	0,009	9,250	0,000
	I4	0,732	0,536	0,287	0,013	11,594	0,000
	I5	0,859	0,738	0,544	0,007	9,703	0,000
	I6	0,827	0,684	0,468	0,009	10,496	0,000
	I7	0,778	0,605	0,366	0,011	11,186	0,000

I8	0,626	0,392	0,154	0,042	12,233	0,000
SUM	6,105	4,713	2,900			
Contruct Realibility	0,888					
Variance Extracted	0,619					

All innovation indicators have a Standardize Loading (SL) value of more than 0.5 and a CR value of more than 2, which indicates the relationship between variables is valid and significant at the 0.001 level. This indicates that the measurement model of innovation variables can meet the required values for convergent validity, as shown by the GOF values in Table 2..

Confirmatory Factor Analysis (CFA) of Entrepreneurial Financing Choice Variable

There are six indicators in entrepreneurial financing choice. Figure 3 shows the CFA test results for the entrepreneurial financing choice variable. The results show that the CFA measurement for the entrepreneurial financing choice variable has not met an acceptable fit on the Goodness of Fit Index value. Therefore, to improve the model, it is necessary to modify the fit by relating the indicator error value to the index error value. Figure 4 shows the modified processing results of the innovation variable..

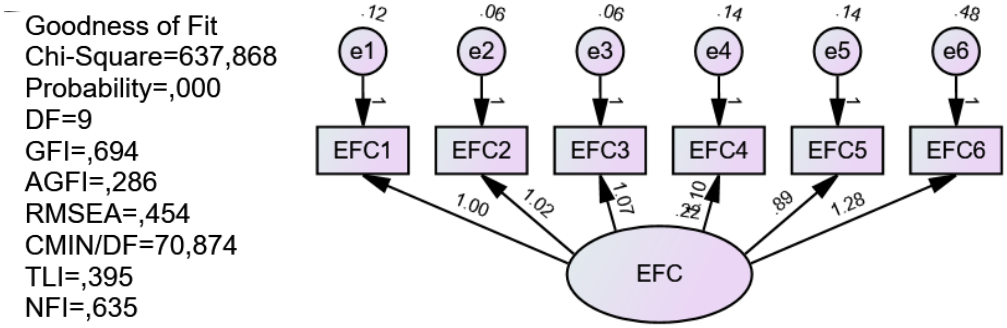


Figure 3. CFA Entrepreneurial Financing Choice Variable

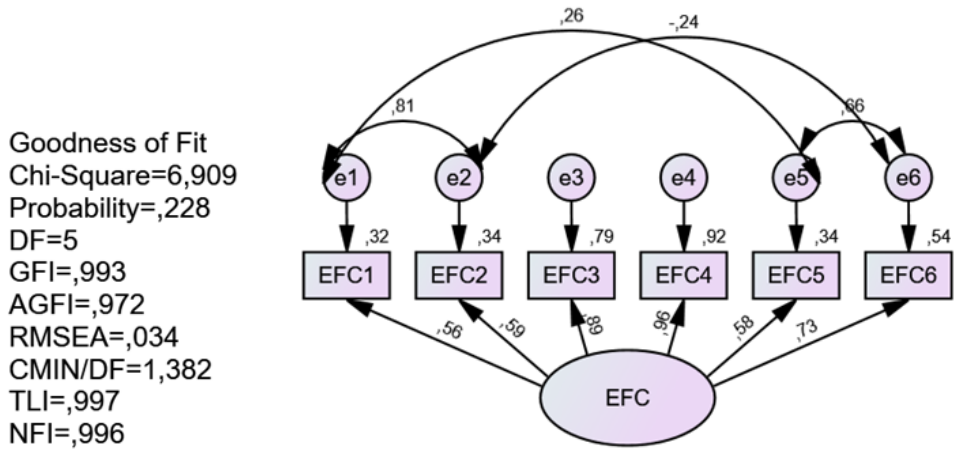


Figure 4. Modification Indices Entrepreneurial Financing Choice Variable

The error values will be associated with several indicators in the following variables: e1 with e2, e5 with e6, e1 with e5, and e2 with e6. This is done to lower the chi-squared value, as shown in Figure 4. to meet the GOF criteria, as shown in Table 4..

Table 4. Goodness of Fit Entrepreneurial Financing Choice Modification

Goodness of Fit Index	Cut off Value	Estimate Result	Evaluation
Chi-square	≥ 0,05	6,909	Better Fit
DF	-	5	-
Probability	≥ 0,05	0,228	Better Fit
RMSEA	≤ 0,08	0,034	Better Fit
CMIN/DF	≤ 2,00	1,382	Better Fit
GFI	≥ 0,90	0,993	Better Fit
AGFI	≥ 0,90	0,972	Better Fit
TLI	≥ 0,90	0,997	Better Fit
NFI	≥ 0,90	0,996	Better Fit

Source : Amos 26

Table 3 shows the Standardized Loading (SL) values of all entrapreneurial financing choice indicators.

Table 5. Standardize Loading Factor of Entrepreneurial Financing Choice

Latent	Indicator	SL	SL^2	Measurement Error (1-SL^2)	S.E	C.R	P
Entrepreneurial Financing Choice	EFC1	0,675	0,456	0,208	0,095	13,431	0,000
	EFC2	0,735	0,540	0,292	0,094	12,994	0,000
	EFC3	0,873	0,762	0,581	0,013	8,699	0,000
	EFC4	0,732	0,536	0,287	0,011	3,828	0,000
	EFC5	0,859	0,738	0,544	0,057	13,116	0,000
	EFC6	0,827	0,684	0,468	0,022	12,261	0,000
	SUM	4,701	3,716	2,380			
	Contruct Realibility	0,856					
	Variance Extracted	0,610					

All entrapreneur finance choice indicators have Standardize Loading (SL) values of more than 0.5 and CR values of more than 2, indicating the relationship between variables is valid and significant at the 0.001 level. As shown by the GOF values in Table 4, each of the business finance choice indicators can reflect the latent variable. This indicates that the measurement model of this business financing choice variable can meet the values required for convergent validity. Therefore, the measurement model of this business financing choice variable is appropriate..

Confirmatory Factor Analysis (CFA) of Sustainable Performance Variable

There are sixteen indicators that make up the sustainable performance variable. Figure 5 shows the CFA test results for the business financing policy variable. The processing results show that the CFA measurement for the business financing policy variable has not met an acceptable fit on the Goodness of Fit Index value. To make changes to the model, the indicator error value is correlated with the index error value.

If the indece modification recommendation has been applied to correlate all indicators with the error values of other indicators, but this does not result in a good model fit, then indicators with low factor loadings should be removed. Thus, only 9 indicators from the modified index of the Sustainable Performance variable (SP) were used in this variable, namely SP1, SP9, SP10, SP1, SP12, SP13, SP14, SP15, and SP16. The processing results of the sustainable performance variable are shown in Figure 6..

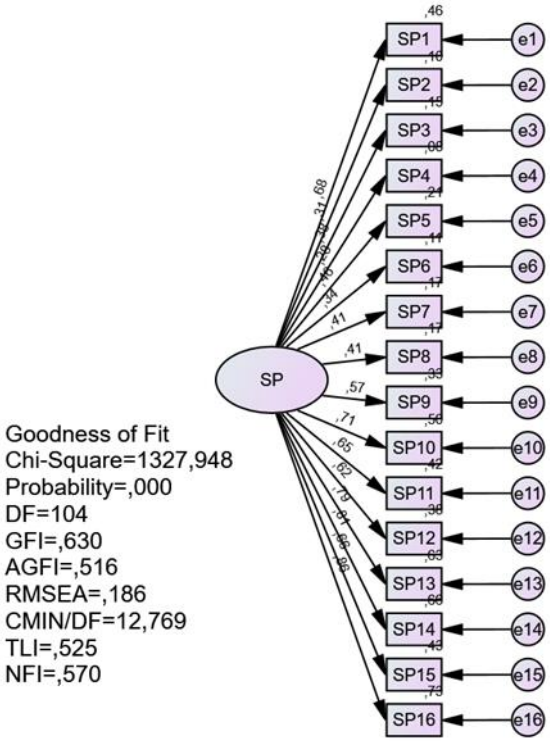
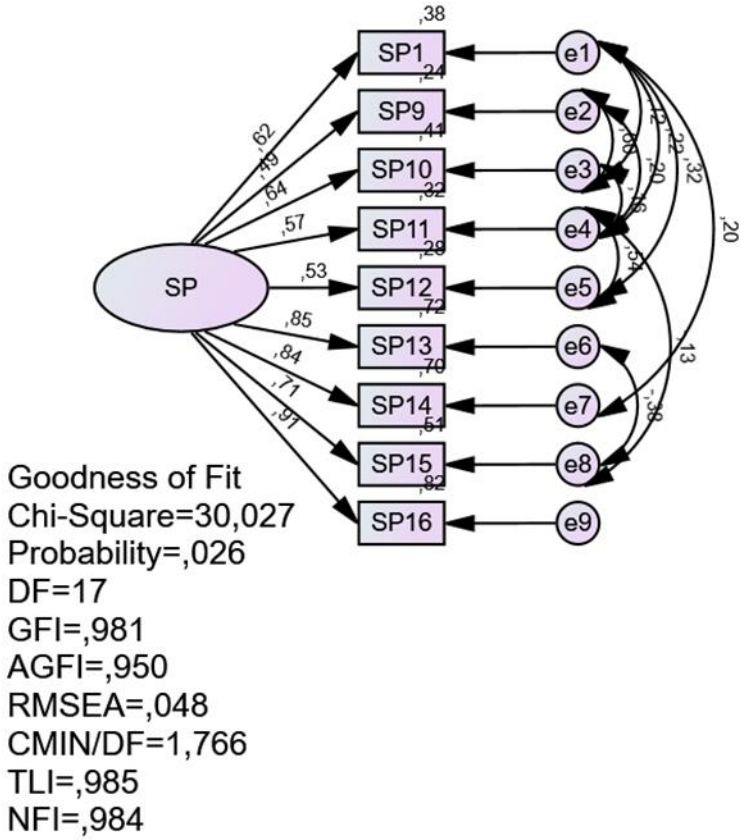


Figure 5. CFA Sustainable Performance Variable



Gambar 6. Modification Indices Sustainable Performance Variable

The error values are correlated to several indicators in the CFA entrepreneurial financing choice variable, namely e2 with e3, e4 with e5, e6 with e8, e1 with e5, e4 with e8, e1 with e4, e1 with e7, e2 with e4, e3 with e4, and e1 with e3, as shown in Figure 6. This is done to lower the chi-square value to meet the GOF criteria listed in Table 6.

Table 6. Goodness of Fit Sustainable Performance Modificatio

Goodness of Fit Index	Cut off Value	Estimate Result	Evaluation
Chi-square	≥ 0,05	30,027	Better Fit
DF	-	17	-
Probability	≥ 0,05	0,26	Better Fit
RMSEA	≤ 0,08	0,048	Better Fit
CMIN/DF	≤ 2,00	1,766	Better Fit
GFI	≥ 0,90	0,981	Better Fit
AGFI	≥ 0,90	0,950	Better Fit
TLI	≥ 0,90	0,985	Better Fit
NFI	≥ 0,90	0,984	Better Fit

Source : Amos 26

Table 7 shows the Standardized Loading (SL) value of the Entrepreneurial Financing Choice indicator as a whole.

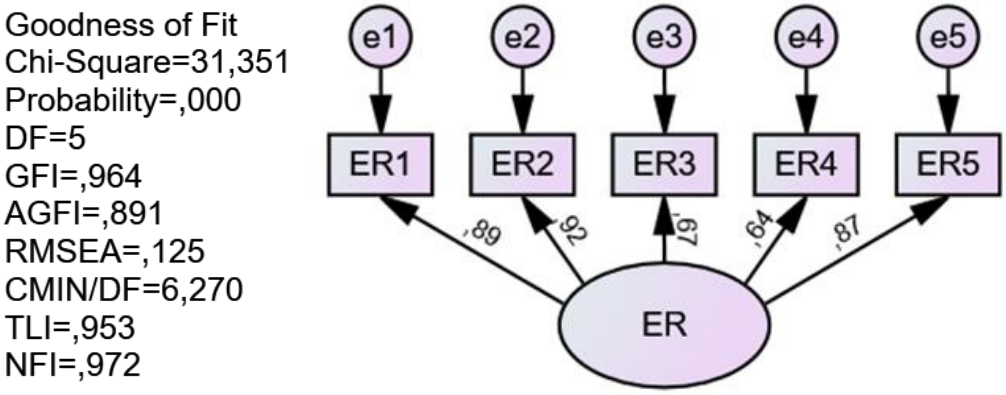
Table 7. Standardize Loading Factor of Sustainable Performance

Latent	Indicator	SL	SL^2	Measurement Error (1-SL^2)	S.E	C.R	P
Sustainable Performance	SP1	0,618	0,382	0,146	0,015	12,474	0,000
	SP9	0,491	0,241	0,058	0,017	12,709	0,000
	SP10	0,641	0,411	0,169	0,013	12,443	0,000
	SP11	0,567	0,321	0,103	0,073	12,653	0,000
	SP12	0,528	0,279	0,078	0,109	12,650	0,000
	SP13	0,848	0,719	0,517	0,016	9,675	0,000
	SP14	0,839	0,704	0,496	0,008	10,692	0,000
	SP15	0,711	0,506	0,256	0,019	11,507	0,000
	SP16	0,907	0,823	0,677	0,009	8,142	0,000
	SUM	6,15	4,385	2,499			
	Contruct Realibility	0,896					
	Variance Extracted	0,637					

All sustainable performance indicators have Standardize Loading (SL) values of more than 0.5 and CR values of more than 2, which indicates the relationship between variables is valid and significant at the 0.001 level. As shown by the GOF values in Table 6, each sustainable performance indicator can reflect its latent variable. This indicates that the measurement model of the sustainable performance variable can meet the required value for convergent validity. Therefore, the measurement model of this sustainable performance variable can be considered appropriate.

Confirmatory Factor Analysis (CFA) of Entrepreneurial Resilience Variable

There are eight indicators for the entrepreneurial resilience variable. Figure 7 shows the CFA test results for the entrepreneurial resilience variable. The processing results show that the CFA measurement for the entrepreneurial resilience variable does not meet an acceptable fit on the Goodness of Fit Index value. Therefore, to improve the model, it is necessary to modify the fit, in which the error value of each indicator is correlated with the error value of each indicator proportionally. Figure 8 shows the results of the modification processing of the entrepreneurial resilience variable.



Gambar 7. CFA Entrepreneurial Resilience Variable

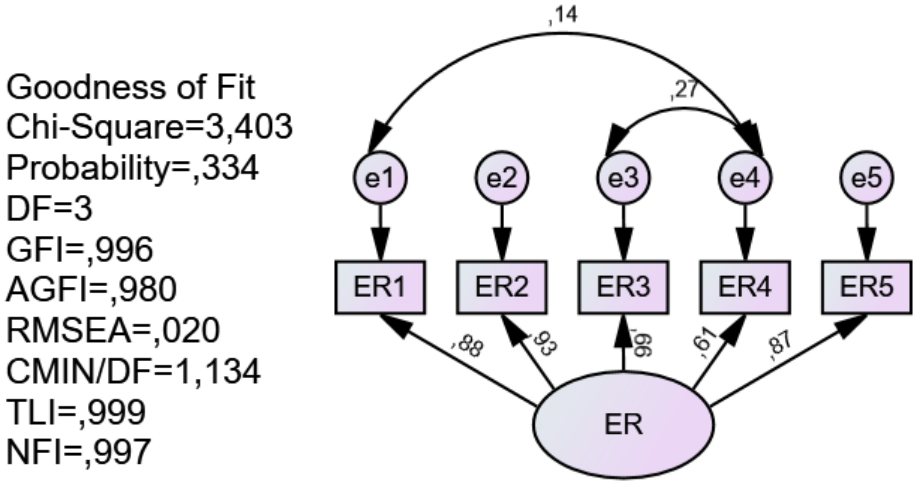


Figure 8. Modification Indices Entrepreneurial Resilience Variable

To change the CFA business resilience model, error values are correlated on several indicators, such as e3 with e4 and e1 with e4, as shown in Table 8, so as to reduce the chi-squared value.

Table 8. Goodness of Fit Sustainable Performance Modification

Goodness of Fit Index	Cut off Value	Estimate Result	Evaluation
Chi-square	≥ 0,05	3,403	Better Fit
DF	-	3	-
Probability	≥ 0,05	0,334	Better Fit
RMSEA	≤ 0,08	0,020	Better Fit
CMIN/DF	≤ 2,00	1,134	Better Fit
GFI	≥ 0,90	0,996	Better Fit
AGFI	≥ 0,90	0,980	Better Fit
TLI	≥ 0,90	0,999	Better Fit
NFI	≥ 0,90	0,997	Better Fit

Source : Amos 26

Table 9 shows the standardized load (SL) values for all business resilience indicators.

Table 9. Standardize Loading Factor of Entrepreneurial Resilience

Latent	Indicator	SL	SL^2	Measurement Error (1-SL^2)	S.E	C.R	P
Entrepreneurial Resilience	ER1	0,879	0,773	0,597	0,026	9,401	0,000
	ER2	0,931	0,867	0,751	0,018	6,456	0,000
	ER3	0,658	0,433	0,187	0,029	12,284	0,000
	ER4	0,607	0,368	0,136	0,025	12,335	0,000
	ER5	0,873	0,762	0,581	0,021	9,685	0,000
	SUM	3,948	3,203	2,252			
	Contruct Realibility	0,830					
	Variance Extracted	0,587					

All business resilience indicators have a Standardize Loading (SL) value of more than 0.5 and a CR value of more than 2, indicating the relationship between variables is valid and significant at the 0.001 level. As shown by the GOF values found in Table 8, each entrepreneurial resilience indicator can reflect its latent variable, indicating that the measurement of this business resilience variable model can meet the values required for convergent validity.

CONCLUSSION

The test results show that all indicators have a Standardized Loading (SL) value of more than 0.5 and a C.R value of more than 2. This indicates that each indicator item can serve as a representation of each latent construct. For each variable, CFA measurements have met convergent validity and construct validity, as almost all GOF values have met an acceptable fit. Therefore, the measurement model in this study has met convergent validity and construct validity. Since each indicator has a predetermined standard, this study shows that the measurement model used is acceptable.

To make the research results more accurate, future researchers are advised to use additional indicators to measure innovation, entrepreneurial financing choice, sustainable performance, and entrepreneurial resilience..

REFERENSI/ REFERENCES

Andrieu, G., & Groh, A. P. (2012). Entrepreneurs' financing choice between independent and bank-affiliated venture capital firms. *Journal of Corporate Finance*, *18*(5), 1143–1167. https://doi.org/10.1016/j.jcorpfin.2012.07.001

Annarelli, A., & Nonino, F. (2016). Strategic and operational management of organizational resilience: Current state of research and future directions. *Omega (United Kingdom)*, *62*, 1–18. https://doi.org/10.1016/j.omega.2015.08.004

Channuntapipat, C. (2021). Can sustainability report assurance be a collaborative process and practice beyond

the ritual of verification? *Business Strategy and the Environment*, *30*(2), 775–786. https://doi.org/10.1002/bse.2653

Danarahmanto, P. A., Primiana, I., Azis, Y., & Kaltum, U. (2020). The sustainable performance of the digital start-up company based on customer participation, innovation, and business model. *Business: Theory and Practice*, *21*(1), 115–124. https://doi.org/10.3846/btp.2020.11053

Dudley, E. (2021). Social capital and entrepreneurial financing choice. *Journal of Corporate Finance*, *70*(February), 102068. https://doi.org/10.1016/j.jcorpfin.2021.102068

Elkington, J. (1997). Enter the triple bottom line. *The Triple Bottom Line: Does It All Add Up*, 1–16. https://doi.org/10.4324/9781849773348

Iborra, M., Safón, V., & Dolz, C. (2020). What explains the resilience of SMEs? Ambidexterity capability and strategic consistency. *Long Range Planning*, *53*(6), 101947. https://doi.org/10.1016/j.lrp.2019.101947

Ketchen, D. J. (2013). A Primer on Partial Least Squares Structural Equation Modeling. *Long Range Planning*, *46*(1–2), 184–185. https://doi.org/10.1016/j.lrp.2013.01.002

KPMG. (2022). *Key global trends in sustainability reporting*. https://kpmg.com/xx/en/home/insights/2022/09/survey-of-sustainability-reporting-2022/global-trends.html

Liu, X., Yuan, Y., Sun, R., Zhao, C., & Zhao, D. (2023). Influence of entrepreneurial team knowledge conflict on ambidextrous entrepreneurial learning—— a dual-path perspective of entrepreneurial resilience and fear of failure. *Journal of Innovation and Knowledge*, *8*(3), 100389. https://doi.org/10.1016/j.jik.2023.100389

Meadows, D. H., Meadows, D. L., & Randers, J. (1992). Beyond the Limits: Global Collapse or a Sustainable Future. *The Economic Journal*, *103*(419), 1084. https://doi.org/10.2307/2234737

Mengistu, A. T., & Panizzolo, R. (2021). Indicators and framework for measuring industrial sustainability in italian footwear small and medium enterprises. *Sustainability (Switzerland)*, *13*(10). https://doi.org/10.3390/su13105472

Purba, J. H. V. (2010). Informasi Ringkas Tentang Goodness Of Fit Pada Analisis SEM. *Research Gate*, 3.

Shamsuddin, J., Sarkawi, M. N., Jaafar, A. R., & Abd Rahim, N. F. (2017). Malaysian SMEs performance and the government business support service: The moderating effects of absorptive capacity. *International Journal of Supply Chain Management*, *6*(4), 326–331.