TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER 1 - INTRODUCTION

I.1. BACKGROUND

In 2011, Asia-Pacific Australian had conducted a survey that showed 97% of small businesses in Indonesia are expected to grow in the coming year. This expectation was in accordance with the belief that the economy in general will maintain its strong growth rate. This high confidence level on small business growth was an indication of a wider projection for the Indonesian economy. This positive outlook may be a reflection of the role of the Indonesia nation emerging as a strategic economic hub in the region (CPA Australia Ltd, 2012).

The positive outlook of Indonesia economy could not be separated from the contribution of many Indonesian entrepreneurs. The role of entrepreneurial enterprise as an engine of economic growth has garnered considerable public attention since the 1990's. Small business can provide the economy with efficiency, innovation, competition and job growth (Saleem & Sheikh, 2011; Uddin & Bose, 2013). Like it or not, the success of micro, small, and medium enterprises (MSMEs), including large businesses, is usually measured in economic, financial and non-financial statistics. Some common financial parameters include; return on assets (ROA), return on equity (ROE), return on investment (ROI), sales, profit, employees and survival rates (Anantadjaya S. P., 2009; Ellen, Anantadjaya, & Saroso, 2014; Fatimah-Salwa, Azahari, & Tamkin, 2013; Matsuo, Fong, Yanagida, & Cabal, 2001). Non-financial parameters may include; customer satisfaction, personal development and personal realization (Anantadjaya S. P., 2007; Ellen, Anantadjaya, & Saroso, 2014; Fatimah-Salwa, Azahari, & Tamkin, 2013; Matsuo, Fong, Yanagida, & Cabal, 2001; Saleem & Sheikh, 2011; Uddin & Bose, 2013)

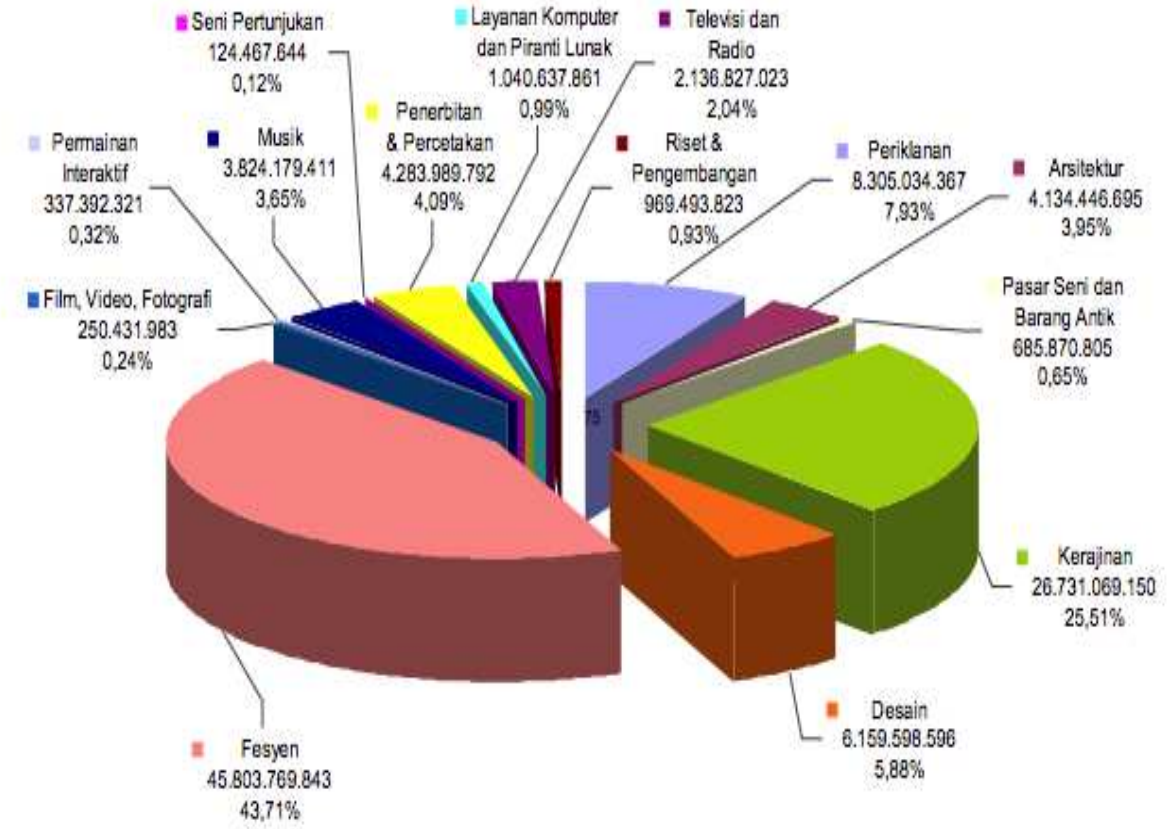
Creativity is the point of origination for innovation, entrepreneurship, and creativity (BOP Consulting, 2010; Landry & Bianchini, 1995; Csikszentmihalyi, 1997). Creativity is the thought process by which something new comes into existence. Thus, it is not surprising that successful, innovative business systematically encourages the development and/or encouragement of ideas (Jin, 2012; FGD, 2013; Howkins, 2001; Florida, 2002). Referring to such definitions and condition of creativity, this means that creative industry denotes a variety of economic activities, which are concerned with the exploitation of knowledge, information, and resources (Hasmondhalgh, 2007; Csikszentmihalyi, 1997). This conforms to the definition of creative industry as prescribed by the Ministry of Trade of the Republic of Indonesia (Departemen Perdagangan Republik Indonesia, 2010a), whereby creative industry involves individual's skills and talents, with potentials toward wealth and job creations (Howkins, 2001; Abimanyu, et al., 2011). From the United Nations Conference on Trade and Development, on the other hand, "creative industry" involves creation, production and distribution of any products and services, which are the outputs of any creativity and intellectual capital (Antariksa, 2012).

Generally speaking, a creative economy, or creative industry, includes; advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publishing, R & D, software, toys and games, TV and radio (Howkins, 2001). The creative industries have been seen to be increasingly important to economic well being, proponents suggesting that human creativity is the ultimate economic resource (Florida, 2002), and that today's industries may increase their dependencies on the generation of knowledge through creativity and innovation (BOP Consulting, 2010; Landry & Bianchini, 1995).

Indonesia's creative industry is growing incredibly fast (CPA Australia Ltd, 2012; Departemen Perdagangan Republik Indonesia, 2010a; 2007; Indonesia Kreatif, 2008). This is supported by the fact that Indonesia is ranked 43rd in Economic Creativity Index ranking released by the World Economic Forum (Adi, 2013). Indonesia's population is ranked 4th largest in the world (Tarigan & Khafid, 2012). It is a very large market potential if the population can accept the domestic production. There is always opportunity and hopes for business practices to grow; however, some problems are the largest obstacle to expand (Abimanyu, et al., 2011; Howkins, 2001).

One of them is capital and its limited source. Banks or commercial finance company lending in typically not be available to small business until they achieve a level of production where their balance sheet reflects substantial tangible assets that might be replaced as collateral (Brewer III & Genay, 1994).

Figure 1: Creative Industry Contribution to GDP in 2002-2006



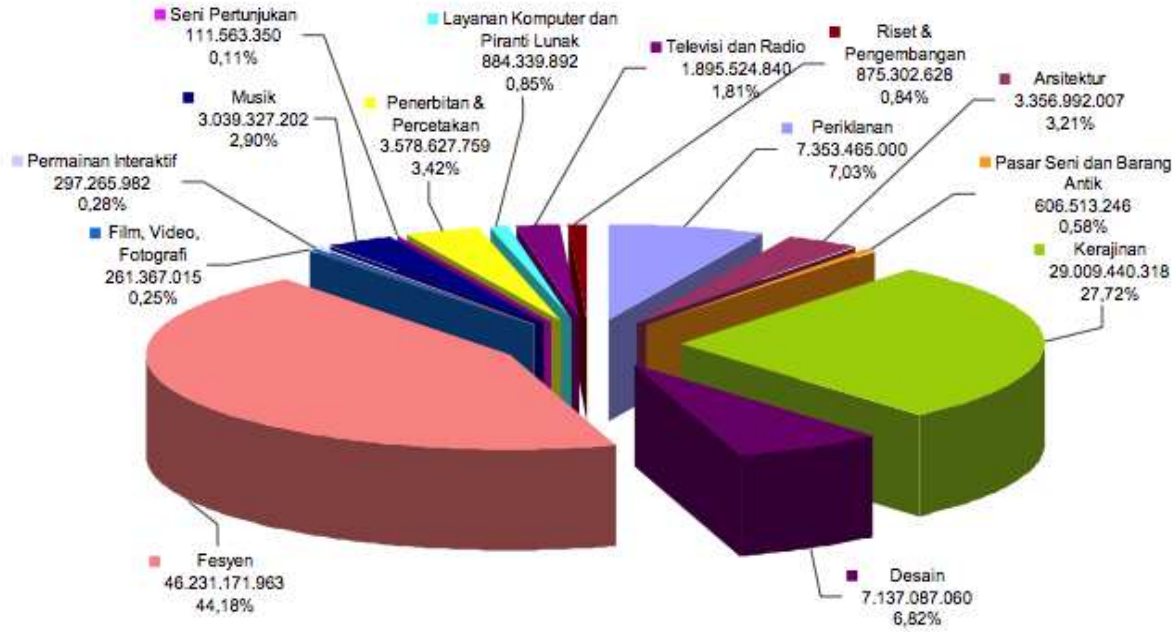
Source: (Indonesia Kreatif, 2008; Kelompok Kerja Indonesia Design Power, 2008; Departemen Perdagangan Republik Indonesia, 2010b)

With a total contribution to GDP in 2002-2006, as shown below in Figure 1: Creative Industry Contribution to GDP in 2002-2006, which was equivalent to about Rp. 152.5 trillion, the contribution of the creative industry to the Indonesian economy cannot be ignored (Indonesia Kreatif, 2008). Focusing on Indonesian MSMEs alone, a total of 54% of GDP and 97% of employment are originated from MSMEs (Shinozake, 2012). This is the reason that MSMEs are often regarded as the back-bone of the country's economy.

Based on the following figure, Figure 2: Contribution of Creative Industry Sector in 2002-2006, the group creative industries that had average GDP contribution above average GDP

impact across the creative industries were fashion at Rp. 46.231 trillion (44.18%), and crafts at Rp. 29 trillion (27.72%). As one can evaluate directly, some areas of creative industry, which are in need for substantial attention, supports, appreciation, and/or drastic improvement are; arts (0.11%), film (0.25%), IT (0.85%), and R & D (0.84%).

Figure 2: Contribution of Creative Industry Sector in 2002-2006 (in Rp & Percent)



Source: (Indonesia Kreatif, 2008; Kelompok Kerja Indonesia Design Power, 2008; Departemen Perdagangan Republik Indonesia, 2010b)

From Figure 2: Contribution of Creative Industry Sector in 2002-2006, it is obvious that fashion (44.18%), craft with (27.72%), advertising with (7.03%) and design with (6.62%) are more significant than the rest of its 10 subsectors.

The economic growth rate in Tangerang showed an increasing trend from 5.74% in 2009 to 7.15% in 2011. Where high growth is supported by an increasing function of Tangerang city serving industry, trade, and services that attract people to come, work and even settle in the city of Tangerang. Tangerang Selatan, especially for trade, services and housing can be assumed as one of the most rapid development in Indonesia (Kecamatan Serpong Utara - Kota Tangerang Selatan, 2013). In 2010 the economic growth rate of Tangerang Selatan increased to 8.7%, compared with the percentage of the previous year 2009 6.4%, while the average national is only 7.5% (Pemerintah Kota Tangerang Selatan, 2012a; 2012b; 2011). The strategic integration of 5 cities within the province of West Java, which are; Bogor, Depok, Tangerang and Bekasi, and the province of DKI Jaya, is one of the unique advantages of Tangerang Selatan has to offer.

Another important advantage is the location of Tangerang Selatan, it is close to its frontier of South Jakarta (in the province of DKI Jaya), Depok (in the province of West Java), and Bogor (in the province of West Java). With a total area of 147.19 km^2, and about 1.3 million people as of 2010, Tangerang Selatan poses unlimited potentials for MSMEs in creative industry to continue growing (Badan Pusat Statistik, 2010). In fact, the growth of Tangerang Selatan has improved significantly in the last few years. Such improvement can be directly evaluated from the presence of universities, increasingly complex public transportation network, community services, and also drastic expansion of housing complexes (Badan Pusat

Statistik, 2010).

I.2. PROBLEM IDENTIFICATION & RESEARCH PROBLEM

The economic growth rate of Tangerang Selatan has increased to 8.7% in 2010 (Pemerintah Kota Tangerang Selatan, 2012b), in comparison to the percentage of the previous year's growth rate of 6.4% in 2009 (Badan Pusat Statistik, 2012; Badan Pusat Statistik, 2010; Biro Humas dan Protokol Tangerang Selatan, 2012; Pemerintah Kota Tangerang Selatan, 2012b). While at the same time, the average growth rate was only 7.5% nationwide (Badan Pusat Statistik, 2012; Badan Pusat Statistik, 2010; Biro Humas dan Protokol Tangerang Selatan, 2012; Pemerintah Kota Tangerang Selatan, 2012b). However, out of a total of 3,196 registered MSMEs, it appears that only 144 registered MSMEs are categorized into the creative industry; 107 businesses in fashion, 10 in craft, and 27 in printing. These statistics conform to the data as shown in Figure 1: Creative Industry Contribution to GDP in 2002-2006, and Figure 2: Contribution of Creative Industry Sector in 2002-2006 (in Rp & Percent). Using the available data, this study attempts to identify driving factors on organizational growth in the creative industry in the city of Tangerang Selatan.

I.3. RESEARCH QUESTIONS & PURPOSE

Referring to the above background on situation and condition of the creative industry, this study attempts to address the basic question on "what are the driving factors that support the growth of the creative industry in Tangerang Selatan?"

Concerning the basic question that this study attempts to address, thus, the main purpose of this study is to analyze the factors that are supporting the growth of small creative industry in Tangerang Selatan.

I.4. SIGNIFICANT OF STUDY

The research is significant as valuable information for all the business communities in general to formulate the grand strategy in facing competition from creative companies in Indonesia as well as from overseas. This research is important for the Government in formulating policies in the economy to stimulate the creative industries sector to increase Tangerang Selatan's economic growth.

I.5. SCOPE AND LIMITATION

This research concentrates on analyzing the small creative industry in Indonesia particularly in Tangerang Selatan. Since the creative industry is divided in 14 sub sectors, this research will be focus on three major sub sectors, which are fashion, craft, and printing. And the research has the limitation period of 4 month.

CHAPTER 2 - LITERATUR REVIEW

II.1. SMALL BUSINESSES DEFINED

Referring to the American "standard" on the definition of small businesses, the US Small Business Administration (US-SBA) offers a simplified definition as those profit-oriented organizations, which are independently owned and controlled, but not dominating the market (US Small Business Administration, 2013). Some notable characteristics are as follows; (1) for the manufacturing sub-sector, a maximum total employees may range from 500 to 1500, and product manufactured are different from each others, (2) for wholesaler sub-sector, a maximum total employees may range from 100 to 500, depending on their product offers, (3) for service sub-sector, the maximum annual income may not exceed $21.5 million, depending on their service provided, (4) for retailer sub-sector, the maximum annual income may not exceed $21 million, depending on their product offers, (5) for general and heavy construction sub-sector, the maximum annual income may not exceed $17 million, depending on the types of construction projects, (6) for special trade construction sub-sector, the maximum annual income may not exceed $7 million, and (7) for agriculture sub-sector, the maximum annual income may not exceed $9 million, depending on the agricultural products.

In Indonesia, small business is defined as an independent economic entity with its own economic activity, which is carried-out by individuals or business entities (Menteri Hukum dan Hak Azasi Manusia Republik Indonesia, 2008a). Also, this independent economic entity should not be a subsidiary of other businesses and should not be owned and controlled, either directly or indirectly by the medium-sized businesses, or large-sized businesses. Some notable criteria of small business, based on the Law of the Republic of Indonesia no. 20 of 2008, are as follows; (1) a total net worth of Rp 50 million to a maximum of Rp 500 million, excluding land and buildings, (2) a total annual sales of more than Rp 300 million to a maximum of Rp 2.5 billion. In addition, small businesses also can be classified based on their numbers of workers; (1) domestic industry with 1-4 workers, (2) small-scaled industries with 5-19 workers, (3) medium industries with 20-99 workers, and (4) large industries with 100 or more workers (Badan Pusat Statistik, 2012).

Although there are several explanations of MSMEs, each of those definitions establishes identical characteristics. First, MSMEs lack of clear divisions of task (Dhliwayo & Vuuren, 2007), mainly between the administration and operation tasks. Most small-scale businesses are run by individuals, who work both as the owner and the manager (Matsuo, Fong, Yanagida, & Cabal, 2001), as well as utilizing the labor of their immediate family and close relatives (Kuncoro, 2000). Second, MSMEs lack of financial sources from formal credit institutions (Brewer III & Genay, 1994). MSMEs tend to rely on their own savings, including financing schemes from their family members, relatives, and middlemen (Kuncoro, 2000; Shinozake, 2012; Fatimah-Salwa, Azahari, & Tamkin, 2013).

II.2. CREATIVE INDUSTRY

Creativity is defined as the ability to generate, or recognize ideas, alternatives, and possibilities that may be useful to solve problems, entertain and communicate others (Langford, 2011). Creativity is any act, idea, or product that has the ability to transform an existing domain into a new one. What matter the most, is the power of the idea to be accepted for inclusion in the domain (Csikszentmihalyi, 1997)

The two literatures above, perceived creativity as the idea to generate, invent and bring something into existence. Landry & Bianchini (1995) believed that this idea could be

generated from fresh and critical thinking problem, which allow people to be unconventional, discover common threads and look at situations laterally and flexible. At the end, this way of thinking is the one that will encourage innovation and generate new possibilities (Landry & Bianchini, 1995; BOP Consulting, 2010).

The term “creative industries” itself, was taken up at a national level by the UK’s government in the mid 1990s. This concept was brought as an attempt to change the terms of the debate about the value of arts and culture (BOP Consulting, 2010). Since the term "creative industries" are relatively new, many researchers trying to map and define the meaning of "creative industry".

II.3. INDONESIA CREATIVE INDUSTRY CLASSIFICATION

From the definitions of creative industry that have been explained above, Indonesia Ministry of Trade has concluded the definition of creative industry. Creative industry is an industry that created from the utilization of creativity, skills and talent from individual in purpose to create welfare and job opportunity that produces and explores the creativity and ability for individual inventions.

In the early study of mapping and defining the creative industries, the Ministry of Trade of the Republic of Indonesia has recognized 15 sectors within the creative industry, which are; (1) advertising services, (2) architecture, (3) fine arts, (4) craft, (5) design, (6) fashion, (7) movies, (8) music, (9) performing arts, (10) publishing, (11) research and development, (12) software, (13) television and radio, (14) toys, and (15) video games (Departemen Perdagangan Republik Indonesia, 2007).

To improve the understanding of creative industry sector, Indonesia adept UK’s creative industry studies approach that has been conducted by the UK’s Department of Culture, Media and Sport (Indonesia Kreatif, 2008; Departemen Perdagangan Republik Indonesia, 2007).

From further study that was conducted by the Ministry of Trade of the Republic of Indonesia, in its report entitled *Buku Studi Industri Kreatif Indonesia 2007* (Departemen Perdagangan Republik Indonesia, 2007), and the sequence report entitled *Studi Industri Kreatif Indonesia 2009: Update* (Departemen Perdagangan Republik Indonesia, 2010b), it stated that Indonesia applies 14 sectors for its creative industries, which are: (1) advertising, (2) architecture, (3) arts and antiques, (4) craft (5) design, (6) fashion, (7) video, film and photography, (8) interactive games, (9) music, (10) performing arts, (11) publishing and printing, (12) computer services and software, (13) TV and radio, and (14) research and development. The available data shows that there are only 144 small businesses within the creative industry sector in Tangerang Selatan; 107 in fashion businesses, 10 in craft businesses, and 27 in printing businesses (Pemerintah Kota Tangerang Selatan, 2012a; 2012b). Due to this fact, this research focuses in these 3 sub-sectors of the Tangerang Selatan’s creative industry; fashion, craft, and printing.

II.3.1. Fashion

Fashion in creative industry is regarded as the sets of creative activities. This involves the actual creation, manufacturing and distribution of clothing, footwear, and other fashion accessories, designs on those accessories, as well as fashion product consulting activities (Indonesia Kreatif, 2008).

According to the Directorate General of Small and Medium Enterprises of the Ministry of

Industry of the Republic of Indonesia (Kementerian Perindustrian Republik Indonesia, 2013), World Fashion Organization (WFO) is interested in building a fashion industry in the proximity of Serpong, within the Tangerang Selatan township, with a total estimated investment of US$ 2 billion. This is simply due to the fact that Tangerang Selatan has begun its focus on building the fashion industry within its territory. This is to create a label of "fashion city" in Tangerang Selatan. The growth rate of MSMEs in fashion industry has been projected to reach 8% in 2013 in comparison to the third quarter of 2012, which was around 7% (Kementerian Perindustrian Republik Indonesia, 2013). Having said that, and given this fact, the fashion industry in the regency of Tangerang Selatan is a growing sub-sector, indeed.

II.3.2. Craft

Handicrafts are considered as creative activities since handicrafts are related to the creation, productions and distributions of products made by skilled craftsmen, who are creatively crafting from the initial designs to the completion of the products. This may include handicraft items, which are made of precious stones, natural or man-made fibers, leather, rattan, bamboo, wood, metals (such as; gold, silver, copper, bronze, and iron), wood, glass, porcelain, cloth/fabric, marble, clay, and limestone.

Handicraft products are generally only produced in relatively small quantities (no mass production). The volume of production that can be produced by the craft industry, heavily dependent on the number and expertise of craftsmen personnel are available, so the industry can be categorized as a labor-intensive industry.

Based on field observations conducted by researcher, the existence of craft industry in Tangerang Selatan felt less visible. The difficulty of finding primary and secondary data about craft industry in Tangerang Selatan became the basis why the craft industry can be categorized as weak growth sub-sector.

II.3.3. Printing

These creative activities related to writing content and publishing books, journals, newspapers, magazines, tabloids, and digital content and activities of news agencies and news search. This sub-sector also includes the issuance of stamps, stamp, paper money, blank checks, demand deposits, letters share, share certificate bonds, other securities, passports, airline tickets, and other special publications. Also includes publishing the photographs, engraving and postcards, forms, posters, reproductions, painting printing, and other printed matter, including micro-movie footage.

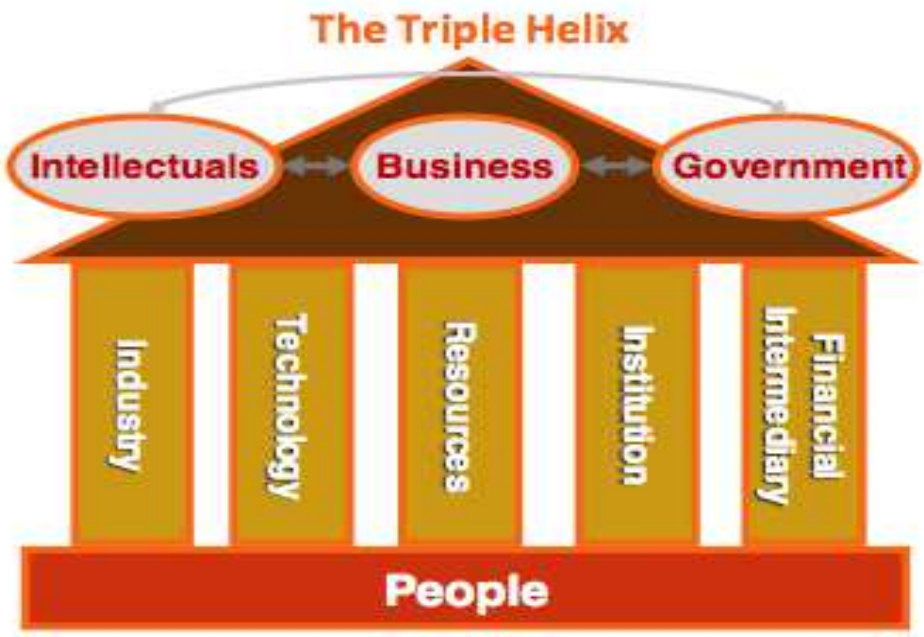
The last five years of development in Tangerang Selatan tends to focus on the development of infrastructure, housing complex, schools and universities (Yosri, 2013). This development climate is greatly assisting the growth of printing industry in Tangerang Selatan, with the existence of schools and universities the need for printing is certainly improved, coupled with housing complex developments in Tangerang Selatan. Based on the above facts it can be concluded that the printing industry to grow steadily in Tangerang Selatan.

II.4. CREATIVE INDUSTRY DEVELOPMENT MODEL

According to Indonesian Ministry of Trade in their book *"Pengembangan Industri Kreatif 2015"* (Departemen Perdagangan Republik Indonesia, 2010a), the development process of Indonesia creative industry can be described through the creative industry development model, as shown in Figure 3: Creative Industry Development Model. The creative industry

development model portrays the important elements and selected players, who have significant roles towards the development of creative industry in Indonesia. This model illustrates the development as a construction process that consists of the foundation, pillars, and the roof, just as in the elements of a complete building. This model is also known as "the triple helix" (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998; Leydesdorff & van den Besselaar, 1997). The pillars denote all elements of development. The roof signifies the necessary players in the creative industry.

Figure 3: Creative Industry Development Model



Source: (Departemen Perdagangan Republik Indonesia, 2010a)

The foundation of creative industry is human resources (people), which are considered as the most important element in the creative industry (Departemen Perdagangan Republik Indonesia, 2010a). Human resources as human capital are the central role of creative industry uniqueness that characterize for nearly all industrial sectors compared to other production factors.

According to Florida (2002), creative individuals have levels, which referred to creative class. Individual in this creative level involved in work that has a function to "create meaningful new forms". In his book, "The Rise of the Creative Class", Florida (2002) states that these creative strata consist of two main components, namely:

1. Super Creative Core, which consists of scientists, engineers, professors at universities, poets and authors, artists, entertainers, actors, designers and architects, authors of nonfiction stories, editors, cultural figures, researchers, analysts, filmmakers, and other creative workers, who are intensively involved in the creative process.

2. Creative Professionals are those individuals, who are generally working in the industry that have the knowledge in intensive industries, such as; high technology-based, financial services, law, healthcare and technical practitioners, and business management. The individuals are involved in the problems solving that require creativity (creative problem solving) to solve specific problems. In general, to do creative problem solving, require a

fairly high level of education. Individuals at this level often apply or combine a standard method in a unique way in order to conform to the problem or situation.

II.5. THE PILLARS OF CREATIVE INDUSTRY DEVELOPMENT MODEL

The pillars of creative industry development model consist of 5 different pillars that need to be strengthened in order for creative industries to grow and achieve its vision and mission. The 5 pillars of the creative economy can be described as follows (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998; Leydesdorff & van den Besselaar, 1997):

1. Industry
   It is simply defined as the activities that associated with the production, distribution, exchange and consumption of products and services in a particular country or area (Smit, 2011; Flew, 2010). The industry, which is described in this model, is analyzed using the 5 Porter model. By adapting this model, it is expected that the formation of market structure with perfect competition would become easier, and at the end may facilitate the creative industry actors to perform their business in the sector (Smit, 2011; Flew, 2010).

2. Technology
   Technology can be defined as an object of both material and non-material, which designed to achieve certain values that are created by human's brain, skills and effort. In other words, technology is not simply tangible tools or machine, in fact, technology also involves a collection of techniques or methods, and activities that shape and change the culture. Technology is an important element to encourage individual creativity in the real work. Florida (2002) says there are three main modules that form an economy-based on creativity (1) talented human resources, (2) technology, and (3) social tolerance (Florida, 2002). Technology was integrated into the pillars because of its function as vehicles and equipment (tools) for the development of the science basis. Technology can be used in creating, producing, collaborating, finding information, distribution and means of socializing. Concerning the triple helix, as mentioned previously, the foundation and pillars

3. Resource
   Resources that found in this model basically represent the required input for value creation as an addition to human ideas and creativity, which are the foundation of the creative industries. Resources involve natural resources and the availability of terrestrial to support input in creative industries. As an example, Indonesian rattan is one of the uniqueness of Indonesian material resources. The production of this unique resource that turned into physical products such as craft and fashion, are the element that is necessary to build Indonesia's national identity in global competitive market.

4. Institution.
   Institution in the pillars of creative industries development model can be defined as social orders, or the norms, habits, traditions, rules, and law that applied in particular area. This social order can be informal (such as; system of values, customs, and norms), or becoming too formal (such as; rules, legislation and law). Since creative industries are related with generating and advancing ideas, thus the role of law in protecting ideas is very important. The protection of ideas is executed with the mechanism of intellectual property rights (IPR). However, it should be stressed that IPR is not the main point of creative industries. Instead, the way Indonesians perform creative process in their

everyday life, scientifically, industrially and commercially, are all that matters. Therefore, the registration of IPRs can be found only on certain products.

5. Financial Intermediary
   Financial intermediary is an institution that has a role to channel financial funding to industry players who are having insufficient funding. This fund distribution could be in a form of capital, equity and loan or credit. Financial intermediary is one of the essential elements that bridge the financial needs of the creative industries actors. Unfortunately, the perceptions of financial institutions at the present are still traditional. It appeared that these institutions only preferred to give their loans on business that has physical or tangible results and land as the source of production. With the development of ICT technologies, and the fact that, there are numerous businesses that generate non-physical products through virtual world (cyberspace), financial institutions should make themselves ready to support this condition. Through conducive and supporting financial environment, it is expected that younger generation would be likely to participate in the industry, which at the end will make creative industry in Indonesia have a greater potential to grow.

II.6. THE ROOF OF CREATIVE INDUSTRY DEVELOPMENT MODEL

The roof in this model represents the actors, who have roles in the development of creative industry; intellectuals, business and government system. The association of these 3 actors can also be called as the “triple helix” (Etzkowitz, 2008), which is the main driver of the birth of creativity, ideas, science and technology that is of vital for the growth of creative industries. From a neo-evolutionary perspective, a double helix can be expected to generate a relatively stable trajectory when the two sub dynamics mutually shape each other in a co-evolution (Leydesdorff & Etzkowitz, 1998; Leydesdorff, 2012; Nelson, 1994; Leydesdorff & van den Besselaar, 1997). For example, in a political economy, the market and the state can be expected to generate equilibriums (Aoki, 2001), which are upset by knowledge-based innovations (Nelson & Winter, 1982).

The elements in the roof of this model are;

1. Intellectuals
   In the context of creative industries, cultural intellectuals are artists, gurus, educators in educational institutions, and pioneers in community, hermitage, culture and art galleries, individuals or group studies and researchers, authors, and other notables in arts, culture (values, philosophy) which related to the development of creative industries. Intellectuals have enormous capacity to strengthen the bases of formal and informal innovation, and have the ability to finalize the concepts of innovation and also have the capacity to disseminate information to the network in the international world.

2. Business
   Businesses (also called firms or enterprises) are a legal organization entity or institution whose role is to supply goods in the form of products and services to consumers. Generally, businesses are privately owned and formed to generate profit and increase the prosperity of their owners. The laws of a country where the business is located, is the one that regulate the business. There are different kinds or forms of business ownership, namely: sole proprietorship, partnership, corporation and cooperative. Business can also be based on different types, such as manufacturing, services, retail and distribution, agriculture, mineral, financial, information, real estate, transportation, and utilities such as

electricity, irrigation, which usually associated with government agencies. Meanwhile, in the context of organization business is distributed in several departments such as marketing, sales, production, information technology and research and development. The function of management is to implement an efficient and effective operation towards a business.

3. Government
   In the context of creative economic development, central and local government possesses an important role in building the substance of the relationship, as well as administrative linkages. Synergy between departments and agencies in the central government, and the synergy between the central and local governments, is needed to achieve the vision, mission and goals of the development of the creative industries. This is because the development of the creative economy is not just the construction industry, but also includes the construction of ideological, political, social and cultural.

II.7. MAIN ACTORS AND FACTORS FUELING THE CREATIVE INDUSTRY DEVELOPMENT

Economic conditions are always expected to be stability sustained. Sustainability concerns with the ability to adapt to geographical conditions and the challenges of the new economy, which in turn generate sustainable growth. High growth reflects the competence of individuals in creating innovation (Smit, 2011; Flew, 2010). Creative industries have high bargaining power in a sustainable economy because the individuals have creativity as their capital, which they use to create innovations.

Figure 4: Sustainable Growth Model

Source: (Departemen Perdagangan Republik Indonesia, 2007; 2010a)

1. Role of Intellectual
   Intellectuals have a role as an agent of deploying and implementing science, art and technology, as well as agents that form the constructive values for the development of creative industries in the community. Academics, as part of an intellectual community within the higher education institutions and research institutes, have a major role in developing the creative economy. Contribution of academics can be described in three forms of role, as are set forth in the *Tri Dharma* University, namely: (1) the role of education is intended to encourage the birth of Indonesian creative generation with the mindset that supports the growth initiative and work in the creative industries, (2) the role of the conducted research is to provide inputs on the development of creative industry. Policy models and instruments are needed, as well as generating technologies that support the operations and efficient use of resources and create the competitive national creative industry, and (3) the role of community service carried out to form a society with institutions/social order that supports the flourishing creative industries nationwide.

2. Role of Business
   Business actors are entrepreneurs, investors and creators of new technologies, as well as a creative industry consumer. The roles of business in the development of creative industries are: (1) creator**,** which is a center of excellence of the creative products and services, new markets which can absorb the resulting products and services, as well as creator of jobs for creative individuals or other supportive individuals, and (2) Forming Community and Creative Entrepreneur, namely as a motor that forms a public space where the sharing of ideas, mentoring can hone creativity in doing business in the creative industries, business coaching or management training business management in the creative industries. In carrying out its role, the business is required to use high conceptual skills, able to create a variety of new products and services, proficient organization, cooperation, diplomacy, stoic facing the failure, and the ability to master the technical context of financial planning.

3. Role of Government
   Government involvement in the development of creative industries is needed, especially through good management of regional autonomy, democracy, and the principles of good governance. All three are not a new thing; it has become the main agenda of reform. If it works well, all three are positive conditions for the development of creative industries. Referring to the principles of good governance, participation, law enforcement, transparency, responsiveness, fairness, strategic vision, effectiveness and efficiency, professionalism, accountability, and supervision, are the principles of management where the creative industries can grow aggressively. The main roles of the Government in the development of creative industries are: (1) the catalyst, facilitator and advocate that provide stimulation, challenge, encouragement, business ideas in order to move to a higher level of competence. Support is not always in terms of financial assistance, incentives or protection, but may also be the government's commitment to use its political power proportionally and by providing administrative services to the public, (2) regulators**,** who produce policies that related to people, industry, institute, intermediation, resources, and technology. Governments can accelerate the development of creative industries if the government can make policies that create conducive business climate to the creative industries, (3) consumers, investors and even entrepreneurs, whereby government as an investor should be able to empower the state to become productive assets in the scope of the creative industries and is responsible for the investment industry infrastructure. On the other hand, as a consumer, government needs to revitalize their procurement policy, with priority use of creative products. Likewise, as an entrepreneur, the government indirectly has the authority to state-owned enterprises, and (4) urban planner whereby government needs to plan and map-out the city grids to creative a creative climate. In order for the development of the creative economy, it is necessary to create creative cities in Indonesia. Governments have a central role in the creation of a creative city, which is able to accumulate and concentrate the energy from creative individuals and become magnets that attract individuals / companies to open businesses in Indonesia. This can happen because individual/companies can feel confident in investing a long-term investment in the cities.

II.8. UNDERSTANDING THE DRIVING FACTORS

The meaning of driving factor is aspects, conditions, mechanisms that are considered as the main variable determining the success of the development of creative industries. A particular actor will drive the driving factors predominantly to strengthening the foundation and pillar of

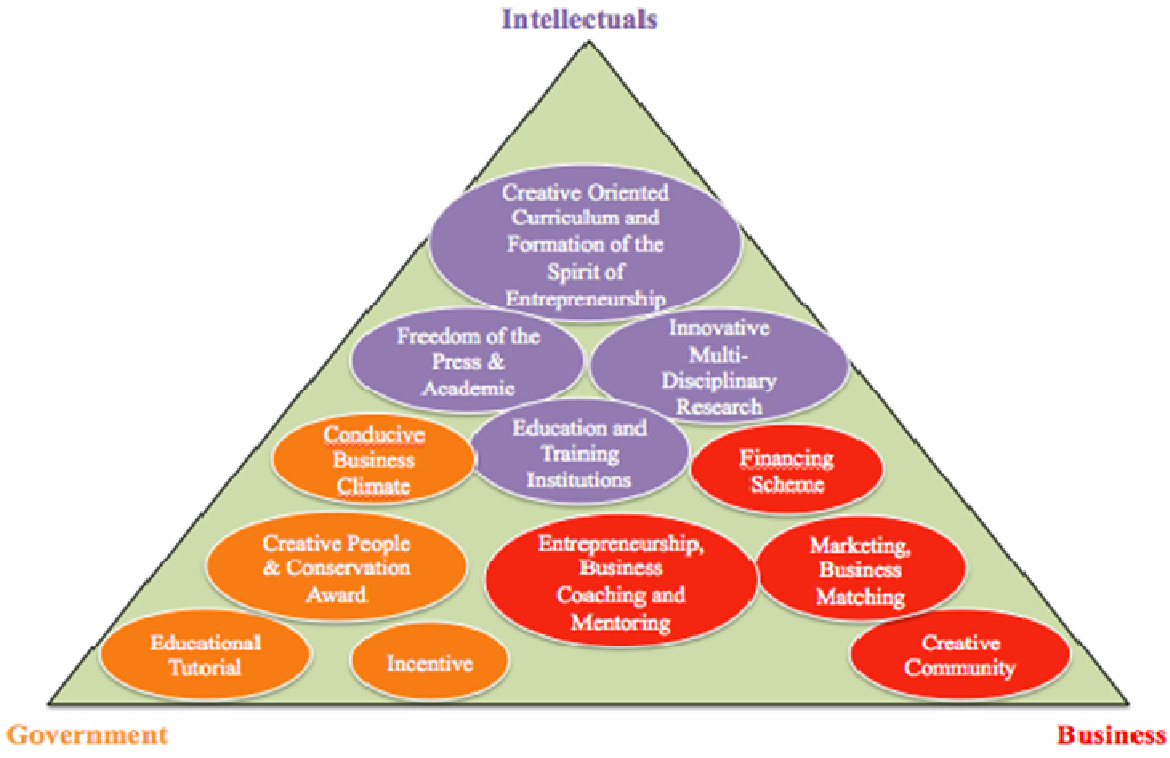
the creative industry development model can be achieved. The linkage between the factors driving the actors that play a role in developing the creative economy can be seen in the picture above (Departemen Perdagangan Republik Indonesia, 2007; 2010a; 2010b). The explanations on each of the driving factors, as shown in Figure 5: Illustration on Driving Factors, are as follows:

1. Creative Oriented Curriculum and Establishment of Creative Spirit of Entrepreneurship.
   The curriculum that intended here means; (1) a curriculum that shape the competence become visionary individuals who are able to accept a variety of challenging scenarios, see opportunities and take risks, including train the ability to digest the problems and take appropriate decisions in the absence of sufficient guidance, (2) a curriculum that facilitates the intensification of skill, talent and creativity, and (3) curriculum that contain a balanced program between hard science to soft science (arts and social sciences).

2. Press & Academic Freedom
   The freedom of opinion and expression in the community and campus will create a critical climate that produces circulation of mediated information and quality publications. Critical climate in the development of the intellectual capital are needed in building the base of Indonesian creativity.

3. Innovative Multi-Disciplinary Research
   Generated research must be market friendly and not only in the mainstream market but also outside the mainstream market (new idea) which is multi disciplinary that have obvious application in the community. Multi-disciplinary activity is integration between science and technology (engineering physics, chemistry, mathematics, and engineering) with artistic knowledge (such as design, entertainment and architecture). Thus is expected to create more patents, copyrights and new design that have a commercial value.

Figure 5: Illustration on Driving Factors



Source: (Departemen Perdagangan Republik Indonesia, 2007; 2010a; 2010b)

4. Education Institution and Training
   Education and Training Institutions with sufficient field of creative studies and uniform distribution. Institution that termed here is basic education, higher education and education / informal training. Education and training institutions in various countries assumed as the main driving factors of creativity development.

5. Marketing & Business Matching
   Marketing covers the aspects of market expansion by operating the imaging concept and commercialization along with the development of innovative products and services that are supported by the 'business matching' between businesses that will create a solid and strong business network that supports the competitive creative industries growth.

6. Entrepreneurship, Business Coaching and Mentoring
   - In terms of entrepreneurship, creative industries are mostly performed by MSMEs. The growth of entrepreneurship that dynamical, critical, and innovative shows the increased of self-confidence and reflecting the courage to face risks and help to create new variations in the industry.
   - In terms of business coaching, some research suggests that high creativity is often not followed by good management skills (Greiner, 1998). It is often as factors of creative industries failure that are dominated by MSMEs. Therefore, business coaching is an important factor that must be done.
   - In terms of mentoring, it is done by the creative worker/creative entrepreneurs that have more experience to share the key of success. To make them be able to create new ideas that has economic value not only for aesthetic value.

7. Appropriate Financing Schemes (rural and urban)
   Entrepreneurs are expected to provide input, direct, and facilitate the formation of intermediary institutions in the financial sector that can support the growth of business activity in the creative industries. Activating the creative industry business investment can be through financial institutions that can encourage innovation in the community, such as the seed capital, angel investors, venture capital, cooperatives, and other forms of non-formal mutual.

8. Creative Community
   Community is a group of creative individuals who have a common vision and a move of its own volition, began with exchange of knowledge, experiences, techniques and tactics which ultimately grow the initiative to establish a project, and eventually hatch into a shockproof innovative business entity.

9. Educational Tutorial
   Strategic Direction from the government on how to develop creative human beings who appreciate culture and history. This strategic direction must be able to respond by educational institutions that will manifest in curriculum and education policy.

10. Creative People Award & Conservation
    A great nation is a nation that respects the culture and history as well as the achievements of its people.

- Creative People Award refers to recognition of the dedication, knowledge, talents and skills. Appreciation and this award is also a reflection of the seriousness of the government in the fight for the copyright of the nation.
- Conservation refers to actions of the government to preserve the nation's culture and history, to establish museums as well as providing educational guidance to improve respect for the cultural and historical heritage. The seriousness of the government in preserving the culture and history of the nation will impact on the country's reputation in the eyes of the international.

11. Incentives
    Incentives are the easiness or additional income in the form of money, goods, etc. are given to increase the passion to strive, thrive or work.

12. Conducive Business Climate
    This denotes the situation and condition where business environment can support the growth of the creative industries. Some important aspects to ensure the conducive/favorable business climate include the following;
    - Tolerance Between Cultures and Religions as any disturbance in these issues may disturb the overall business climate, not only for the creative industry, but also for the other types of industries.
    - Cluster and the Creative City means preparing the cities that have the aura of creativity (creative city) or the region or sub-region, which is a gathering place for creative individuals.
    - Creative Administration refers to the administrative bureaucratic system of governance that provides easiness and international cooperation to do business/businesses in the creative industries.
    - Competition Policy simply about maintaining healthy competition, through prohibitions against: monopolistic practices, abuse of dominant position, agreements and contracts that resulted in illegal monopoly and unfair competition, collusion and cartels, and the integration of acquisitions that reduce the intensity of competition, price discrimination, price fixing, resale price maintenance and other aspects of competition.
    - Distribution Line & Connectivity between areas signify the distribution channel is the physical infrastructure while the connectivity is more associated as a virtual connectedness. The government must play an active role to provide distribution channels both conventional and digital distribution in order to avoid high-cost economy, in serving the domestic market and international market.
    - Public Spaces & Places for the creative people concern with the existence of public spaces and public buildings will be an attraction to objectify his creativity, could even be an attraction for the area visited by creative people from other regions and countries. The power of place is very important in the development of the creative economy (Florida, 2002).
    - IPR Protection may require the Indonesian government diplomacy capabilities in the international arena to struggle IPR debate patents, copyrights, brands and designs of Indonesia and the ability to formulate proposals for the IPR concept for Indonesian traditional cultural heritage, which can be accepted by world bodies such as the WIPO, WTO, and UNESCO. If Indonesia does not participate actively in the international legal community, the threat of rejection or piracy of copyrighted works in other countries people are very likely, and would dampen the motivation of actors in the creative industries in the creative and innovative work.

II.9. PREVIOUS STUDIES

Considering the topic in this research, there are previous studies, which have also emphasized on factors in the strategic mapping/thinking and/or growth of creative industry, as shown in the following table.

Table 1: Previous Studies

Topic, Names & Year	Variables & Indicators	Finding
Strategic entrepreneurial thinking imperatives (Dhliwayo & Vuuren, 2007)	• Entreprenuerial thinking • Strategic entrepreneurial mindset • Strategic thinking	• No difference between strategic thinking and entrepreneurial thinking • The strategic entrepreneurial mindset consists of entrepreneurial thinking and strategic thinking
European strategies for creative industry (Foord, 2008)	A qualitative research to understand the policy, politics, economics, culture, creative cluster development (dependent, aspirational, emergent, and mature), and integrated strategies in different cities across European nations.	The development of creative industry is generated from the following; • In Barcelona, higher education sector is strongly represented with a large number of specialists. • In Berlin, location is playing an increasingly important role toward the development of production-driven clusters, particularly the creative industry. • In London, high prices in property and start-up costs have become an obstacle for growth in creative industry
Creative industry and urban development (Flew, 2010)	A qualitative research to examine the connection between creative industry, urban development and cultural economic geography	• There is a connection between creative industry and urban development • There is a growing need to build a bridge leading into the cultural economic geography, which is based on the creative industry and urban development.
Location decisions of creative entrepreneurs (Smit, 2011)	A qualitative research based on 63 interviews with creative entrepreneurs in 3 districts in the Netherlands to note district visual quality on location decisions (urban design, architecture, waterfronts, and parks)	• There is a significant relationship between district visual quality and the location behavior of creative entrepreneurs. • Districts need to be perceived as distinctive • Visual quality contributes to higher creative productivity
Creative industry development in developed countries	A qualitative research to understand the condition of creative industry in	Some underlying factors toward development in creative industry; • Societal understanding and

Topic, Names & Year	Variables & Indicators	Finding
(Zhang, Wang, & Liu, 2011)	UK, Germany, and USA to formulate strategies for China's creative industry	commitment • Skills, talent, competence • Policy supports on taxation, investment, and financing • Strengthening protection on intellectual property right • Build China-owned brand and emphasize on localization by bringing-up Chinese heritage, culture, and history • Promote integration of industry chain, from the leading enterprises to MSMEs • Improve public services for creative industry • Government should create flexible policy and financial supports
Viability of micro and small businesses in Indonesia (Anantadjaya, Finardi, & Nawangwulan, 2011)	A quantitative research on measuring the relationships among variables and indicators; • Concentration strategy • Internal growth strategy • Viability of micro and small businesses	• Concentration strategy and internal growth strategy influence the viability of micro and small businesses • Cost reduction and ventures influence the viability of micro and small businesses
Korean's new wave in creative industry (Jin, 2012)	IT, and social media platforms	The combination of social media usage, including practices, becomes more affordable due to Korean's advanced digital technology
Models for innovation studies, which are labeled as "triple helix" (Leydesdorff & Etzkowitz, 1998; Leydesdorff, 2012)	• Triple Helix I is the 3 spheres institutionally (university, industry, and government) • Triple Helix II is the helices/pillars of communication system consisting of the operation of markets, technological innovations • Triple Helix III is the additional roles to be assumed by university, industry,	• Knowledge flows are important in supporting science-based economic growth, which boost a more intensive relations due to increasing complexity, and attempts toward capitalization of knowledge • Role-sharing between university (assumes entrepreneurial tasks, and creating firms), industry (assumes academic dimension/practices, and knowledge-sharing), and government (assumes controlling and regulative tasks).

Topic, Names & Year	Variables & Indicators	Finding
	and government	
Survival of small and medium enterprises (Neneh & Vanzyl, 2012)	• Entrepreneurial mindset • Entrepreneurial characteristics • Business practices	• A strong positive relationship between entrepreneurial mindset, entrepreneursial characteristics and business practices toward survival of businesses
Factors in entrepreneurial spirit (Anantadjaya, Nawangwulan, Hardianto, & Finardi, 2013)	A quantitative research on influential factors to create and/or cultivate entrepreneurial spirit based on; quality of educators, group synergy, quality of students, efficiency, and effectiveness	Quality of educators influences the efficiency and effectiveness of the learning process toward the formation of entrepreneurial spirit.
Successful factors in Indonesian food services entrepreneurs (Ellen, Anantadjaya, & Saroso, 2014)	A quantitative research on entrepreneurial mindset, characteristics, performance management practices, and business performance in Tangerang Selatan	To successfully develop creative industry, it is necessary to have the following; • Appropriate mindset toward growth • Tolerance on ambiguity
Intention and support on creative industry (Sasongko & Anantadjaya, 2014)	A quantitative research on MSMEs strategies, access to external financing, and value-based management	To develop and grow creative industry, it is necessary to have focus strategy to ensure maximum value-creation for MSMEs in creative industry in Tangerang Selatan

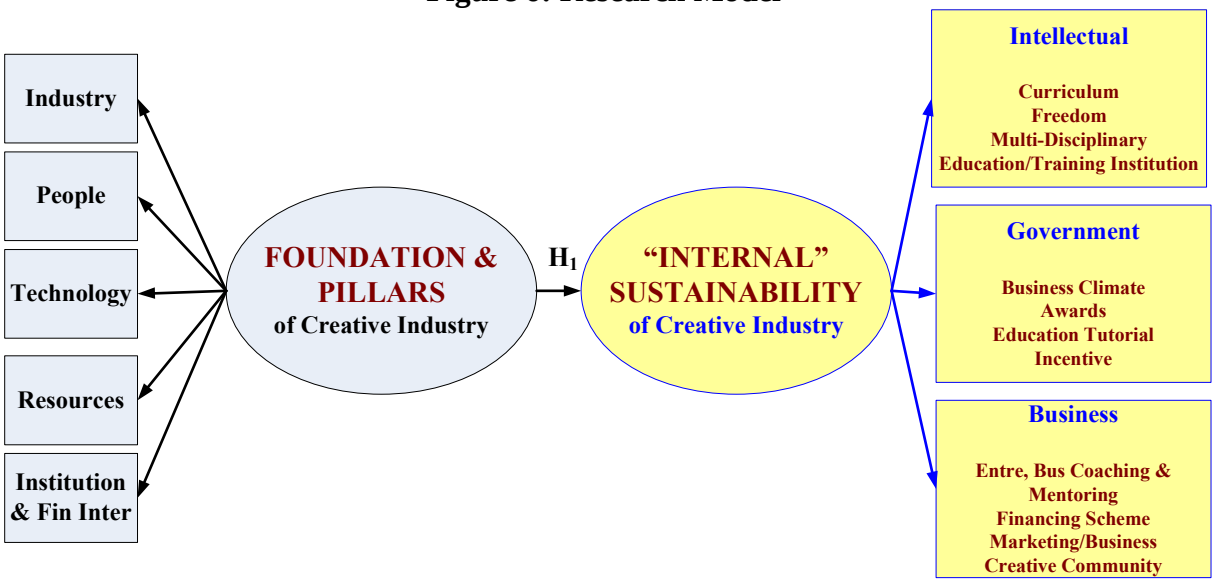
Source: various

Referring to the literature references and the previous research as mentioned in Table 1: Previous Studies, this study has some notable differences, as follows;

1. The area is concentrated in the city of Tangerang Selatan in the province of Banten, Indonesia.
2. Attempting to provide empirical evidence on variables and indicators, which are conceptualized by previous studies, as previously mentioned above (Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998; Departemen Perdagangan Republik Indonesia, 2010a; 2007).
3. Though this study relies on the variables and indicators of the foundation, pillars, and the roof of the creative industry (Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998; Departemen Perdagangan Republik Indonesia, 2010a; 2007), as mentioned above, this study modifies the initial model. If the initial model combines the foundation, pillars, and the roof of the creative industry toward sustainability of MSMEs (Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998; Departemen Perdagangan Republik Indonesia, 2010a; 2007), this study emphasizes on the "internal" relationships among the foundation, pillars, and the roof of the creative industry, to approximate the internal sustainability within the creative industry. It means that this study purposely disregards the "external" sustainability as initially prescribed in the sustainable growth model

(Departemen Perdagangan Republik Indonesia, 2010a; 2007), as shown in Figure 4: Sustainable Growth Model.

Figure 6: Research Model



II.10. HYPOTHESIS

Referring to Figure 6: Research Model above, and in conformation to the previously mentioned research question of "what are the driving factors that support the growth of the creative industry in Tangerang Selatan", this study formulates the following hypothesis;

H_1: the foundation of creative industry (industry, people, technology, resources, institutions, and financial intermediaries), significantly influences the sustainability of creative industry (intellectuals, government, and businesses)

CHAPTER 3 – METHODOLOGY

III.1. OVERVIEW

This study relies on both descriptive and exploratory type of research. On one hand, this study attempts to describe the possible relations among variables and indicators used. On the other hand, this study attempts to explore the potential driving factors, which may support growth. Hence, both qualitative and quantitative approaches are incorporated into this study to bring-out the comprehension and extensive descriptions on variables and indicators.

In order to achieve both the descriptive and exploratory study, primary and secondary data are gathered. The primary data is gathered directly from respondents, whereas the secondary data is obtained from readily available data in internet, journals, books, magazines, previous researches, including data from the government of the Republic of Indonesia. In collecting the primary data, specifically, this study distributed questionnaire and conducted a focus group discussion (FGD) on April 25, 2013 to gather direct information from owners of MSMEs, educational institutions, financial intermediaries, and district/regional chambers of commerce, or otherwise called "*Kamar Dagang dan Industri Daerah*" (KADINDA).

III.2. POPULATION AND SAMPLE

As mentioned earlier, according to the available data, the total population of small medium enterprises in Tangerang Selatan is 3,196. Of this, only 144 MSMEs are categorized within the sub-sector of the creative industries; fashion (107 MSMEs), craft (10 MSMEs), and printing (27 MSMEs) (Pemerintah Kota Tangerang Selatan, 2011; Biro Humas dan Protokol Tangerang Selatan, 2012; Pemerintah Kota Tangerang Selatan, 2012a; 2012b). The sample populations in this research are the owners of MSMEs in creative industry in Tangerang Selatan.

Table 2: Sample Size Determination (with a finite population)

Data	
Estimate of True Proportion	**0.9**
Sampling Error	**0.05**
Confidence Level	**95%**
Intermediate Calculations	
Z Value	-1.9600
Calculated Sample Size	138.2925
Result	
Sample Size Needed	**139**

Finite Populations	
Population Size	**144**
Calculated Sample Size	70.7951
Sample Size Needed	**71**

Source: PHStat

Though the total population is only 144 MSMEs, nonetheless, the preliminary field studies into the area within the city of Tangerang Selatan indicated that a full-blown survey into those 144 MSMEs may be relatively difficult due to scattered locations, accessibility, and/or time required for initial contacts (Ellen, Anantadjaya, & Saroso, 2014; Sasongko &

Anantadjaya, 2014). Hence, a sample may be necessary. Undoubtedly, the sample may have to represent the overall populations of those MSMEs in creative industry in the city of Tangerang Selatan.

With regard to the sample method, this study relies on the use of non-probability sampling, particularly the purposive sampling method, which mainly emphasizes on the level of subjectivity of the researchers whereby participants are arbitrarily chosen to meet the purpose (Cooper & Schindler, 2008). Since this study attempts to examine and/or identify the driving factors on organizational growth, in terms of MSMEs in creative industry in the city of Tangerang Selatan, the purposive sampling method in this study is exhaustedly targeted toward owners of MSMEs in creative industry in the city of Tangerang Selatan to note their unique characteristics, experience, attitudes, or perceptions (Cooper & Schindler, 2008; Sekaran, 2003; Sugiyono, 2001). Table 2: Sample Size Determination (with a finite population) shows the sample approximations based on PHStat.

Relying on PHStat, the estimated true proportion is projected at 90% since the respondents are mainly the owners of MSMEs in creative industry in the city of Tangerang Selatan. The sample size was determined based on 144 populations (Badan Pusat Statistik, 2010; Biro Humas dan Protokol Tangerang Selatan, 2012; Departemen Perdagangan Republik Indonesia, 2007), and 0.5 sampling error to minimize the chances in committing any potential errors (Cooper & Schindler, 2008; Ghozali, 2004; Sekaran, 2003) while aiming at 95% confidence level (Sugiyono, 2001; Yamin & Kurniawan, 2009). As showed in the above Table 2: Sample Size Determination (with a finite population), the minimum compulsory sample size is 71. This study attempts to include a minimum of 75 respondents.

III.3. RESEARCH DESIGN & ANALYSIS

This research relies on primary data, which is obtained from questionnaire distribution to the entrepreneurs/owners of creative industry in the regency of Tangerang Selatan. It is expected that the responses are able to approximate the relationships between the creative economy development model and the creative industry growth, as discussed in chapter 2. The closed-ended questions and the used of Likert 5-scale; (1) strongly disagree, (2) disagree, (3) neutral, (4) agree, and (5) strongly agree, are incorporated to ease the coding and data analysis, as shown in Table 3: Operations of Variables, Indicators & Scales.

Table 3: Operations of Variables, Indicators & Scales

Variables, Description & Source	Sub-Variable (Indicators)	Questions/Statements on the Questionnaires	Scale
Government	1. Business Climate	1. The current business climate in Tangerang Selatan support my business growth	Likert 5-Scale
	2. Awards	2. I know about or have an appreciation or awards from local governments on the development of my business	
	3. Educational Tutorial	3. I know about the local government-based training to develop my business	
	4. Incentives	4. I have received gifts in the forms of money or goods from the local	

Variables, Description & Source	Sub-Variable (Indicators)	Questions/Statements on the Questionnaires	Scale
		government to motivate my business	
Intellectuals	5. Curriculums	5. The education curriculum in Tangerang Selatan supports the entrepreneurial spirit and creativity	Likert 5-Scale
	6. Freedom	6. I feel the freedom of expressing my opinion in building my business	
	7. Multi-disciplinary Research	7. I feel multi-disciplinary research may help my business development	
	8. Education and Training Institutions	8. Training participation can increase my contribution to my business development	
Business, and Sustainable Growth of Creative Industry (in this case, sustainable growth is defined as the ability to adapt to the geographical conditions and challenges of the new economy in generating sustainable growth)	9. Entrepreneurship, Business Coaching and Mentoring	9. Entrepreneurship and business management training influence my business development	Likert 5-Scale
	10. Financing	10. The financing scheme in Tangerang Selatan supports my business development	
	11. Marketing and Business Practices	11. Marketing strategies support my business development	
	12. Creative community	12. There is a creative community in Tangerang Selatan that support my business development	
	13. Sustainable Economic Growth	13. I believe the creative industry in Tangerang Selatan will continue to evolve 14. I believe the creative industry in Tangerang Selatan will be able to support the economic development of the community	Likert 5-Scale
People	14. Skilled human resources	15. There are experts and trained human resources in Tangerang Selatan to support my business development	Likert 5-Scale
	15. Entrepreneurial spirit	16. There are human resources, who possess entrepreneurial spirit in Tangerang Selatan	
Industry	16. Domestic market	17. The domestic market has potentials for my business development	Likert 5-Scale
	17. Foreign market	18. The international market has potentials for my business	

Variables, Description & Source	Sub-Variable (Indicators)	Questions/Statements on the Questionnaires	Scale
		development	
	18. Facility/Space	19. The existence of facilities and space for my product/work in Tangerang Selatan support my business development	
	19. Raw Materials	20. The required raw materials for my product/work can be easily obtained in Tangerang Selatan	
Technology (which is defined as an object of both material and non-material, which is designed to achieve certain value that was created by human's brain, skills, and efforts)	20. IT	21. I can acces information and communication technology in Tangerang Selatan to support my business development	Likert 5-Scale
	21. Production Technology	22. The existence of production technology in Tangerang Selatan supports my business development	
Resources (required inputs for value creation as an addition to human ideas and creativity, which are the foundation of the creative industries)	22. Natural Ingredients	23. The presence of natural ingredients in Tangerang Selatan support my business development	Likert 5-Scale
	23. Availability of Raw Materials and Natural Resources	24. The existence of raw materials and natural resources in Tangerang Selatan is readily available to support my business development	
Institutions & Financial Intermediary	24. Intellectual Property Rights (IPR)	25. The protection of IPR in Tangerang Selatan support my business development	Likert 5-Scale
	25. The role of industry associations and professional associations	26. I participate in the industry assocations to support my business development	
	26. The Needs for Financing	27. My business requires financing to support my business development	Likert 5-Scale
	27. Financing Schemes for MSMEs	28. The existence of financial schemes for MSMEs in Tangerang Selatan support my business development	
	28. Existence	29. I know about the existence of the creative industries in Tangerang Selatan	Likert 5-Scale
	29. Location	30. The locations of creative industries in Tangerang Selatan are scattered in several places	

Source: (Etzkowitz, 2008; FGD, 2013; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998; Departemen Perdagangan Republik Indonesia, 2010a; 2007)

III.3.1. Unit of Analysis

The unit of analysis on this study is individuals, who are the owners of MSMEs in creative industry in the city of Tangerang Selatan.

III.3.2. Data Analysis

This study incorporates both the quantitative and qualitative approaches in order to approximate the findings on the driving factors on organizational growth. In this case, the organizational growth is intended to cover only for MSMEs in creative industry in the city of Tangerang Selatan, as previously mentioned.

The first step in analyzing the data obtained from respondents, it is necessary to verify the descriptive information on the data. Descriptive analysis was initially performed using SPSS to note the "conditions" of the data obtained, including the respondent characteristics, which are; (1) industry, (2) location, (3) employee number, (4) machinery, (5) capital, (6) annual sales, and (7) number of outlet.

The second step, it is necessary to verify both the reliability and validity of the responses.

1. Validity
   The distribution of questionnaire during the period of June 2-9, 2013 was divided into two phases; the pre-test phase, which questionnaires were only distributed to 30 respondents to verify the level of validity of the statements in the questionnaire, and the post-test, where questionnaires were distributed to all targeted respondents and reach the minimum numbers of respondents of 71, as previously calculated in Table 2: Sample Size Determination (with a finite population).

The criterion for validation is that the value of Pearson correlation must be greater than 0.361, at the significance level of 5%, and a degree of freedom of n-2, or 28. The table for Pearson correlation is shown in

Appendix 6: Person Correlation Coefficient Table (r). If the calculated Pearson correlation falls below the cut-off value of 0.361, or 0.250, depending on the situation, it means that the statements in the questionnaire are considered invalid and likely to fail in representing the concept appropriately (Cooper & Schindler, 2008; Ghozali, 2004; Sekaran, 2003; Sugiyono, 2001; Yamin & Kurniawan, 2009). Aside from the values of Pearson correlation, the level of validity can also be examined from the values of KMO and Bartlett's test. The higher the value, the higher the level of validity (Cooper & Schindler, 2008; Ghozali, 2004; Sekaran, 2003; Sugiyono, 2001; Yamin & Kurniawan, 2009).

2. Reliability

   In this research, the level of reliability is evaluated via the value of Cronbach's Alpha. This is considered crucial to ensure the level of internal consistency of the statements in the questionnaire. Ideally, if the Cronbach's Alpha is greater than 0.7, then the variable is considered as reliable (Cooper & Schindler, 2008; Ghozali, 2004; Sekaran, 2003; Yamin & Kurniawan, 2009). In order to note the level of Cronbach's Alpha, the values of the corrected total item correlated for each question must exceed the critical value of the Pearson correlation coefficient. Otherwise, it can also be examined that the higher the value of the Cronbach's Alpha, the higher the level of reliability (Cooper & Schindler, 2008; Ghozali, 2004; Sekaran, 2003; Yamin & Kurniawan, 2009).

Table 4: Cronbach's Alpha Value Ranges

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Source: (Cooper & Schindler, 2008; Ghozali, 2004; Sekaran, 2003; Yamin & Kurniawan, 2009)

Once the obtained data is verified, and considered reliable and valid, it is also necessary to start testing the relationships among variables and indicators via hypothesis testing. To do so, this study utilizes the path analysis to cover multiple relationships among observed variables (foundation and pillars of the creative industry, and "internal" sustainability of the creative industry), and unobserved variables (industry, people, technology, resources, institution/financial intermediaries, intellectuals, government, and business), as shown in Figure 6: Research Model. The path analysis in this study relies on the use of structural equation modeling (SEM)[1], with the help of a statistical program Analysis of Moments Structure (AMOS) to find correlations between the exogenous (independent) and endogenous (dependent) variables of this study. As one may have known, path analysis is often referred to as causal modeling, which serves as the extension of multiple regressions, by estimating models/equations simultaneously (Lei & Wu, 2007; Schumacker & Lomax, 2004; Santoso,

[1] SEM is an extended representation of general linear modelling (GLM) that approaches a multivariate analysis that involves causal relations among multiple variables using hypotheses testing. The main purpose of SEM is to determine how far the theoretical model is supported by empirical data. Tests in SEM include; regression models, path analyses, confirmatory factors, covariance structures, and correlation structures (Lei & Wu, 2007; Schumacker & Lomax, 2004; Santoso, 2009).

2009). Hence, the major benefit on using AMOS is simply variables and indicators are all combined together simultaneously.

The level of consistency can be determined between the research model and the collected data based on the following parameters, which are commonly referred to as the goodness of fit criteria, as shown in the following table;

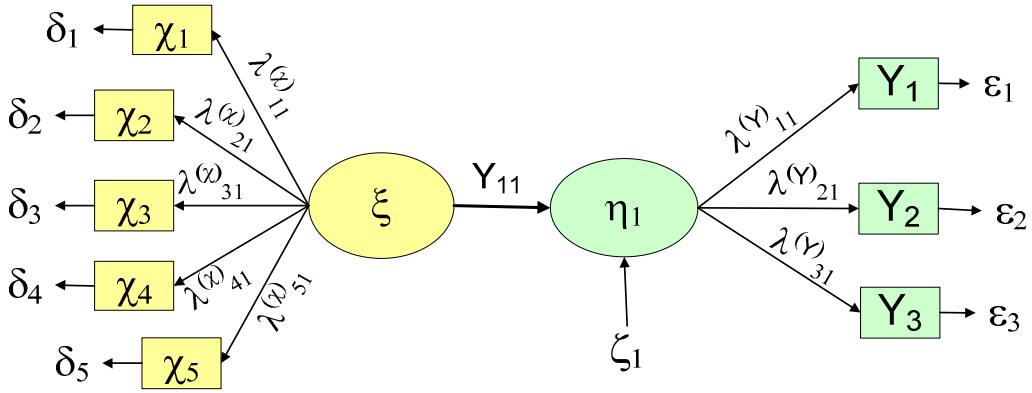
Table 5: Goodness of Fit Criteria

Criteria and Definition	Recommended Standard Value	
	According to Schumacker and Lomax, 2004; Wijaya, 2009	**According to Ghozali, 2004; Santoso, 2009**
χ^2 (likelihood ratio chi square statistic to test the overall *fitness*)	Smaller χ^2 value from a model is better	Smaller χ^2 value from a model is better
p-value	*p-value* ≥ 0.05 = better	Bigger *p-value* = better
CMIN/df (normed chi squared)	CMIN/df ≤ 2 = better	CMIN/df ≤ 5 = better
RMSEA (root mean square error of approximation)	RMSEA ≤ 0.08 = better	RMSEA ≤ 5 = better
GFI (goodness of fit index)	GFI closer to 1 = better	GFI closer to 1 = better
AGFI (adjusted goodness of fit index)	AGFI closer to 1 = better	AGFI ≥ 0.90 = better
TLI (Tucker-Lewis index)	TLI value closer to 1 = better	TLI ≥ 0.90 = better
CFI (comparative fit index)	CFI value closer to 1 = better	CFI value closer to 1 = better
NFI (normed fit index)	-	NFI ≥ 0.90 = better
PNFI (Parsimonious normal fit index)	-	Higher PNFI value = better
PGFI (Parsimonious goodness of fit index)	-	Higher PFGI value = better
RMR (root mean squared residual)	RMR ≤ 0.05 = better	RMR ≤ 0.05 = better
Reliability	*Reliability* ≥ 0.70 = better	*Reliability* ≥ 0.70 = better

Sources: (Ghozali, 2004; Indra, 2011; Indra & Anantadjaya, 2011; Lei & Wu, 2007; Santoso, 2009; Sasongko & Anantadjaya, 2014; Schumacker & Lomax, 2004)

Table 5: Goodness of Fit Criteria shows multiple parameters available for use in concluding the level of goodness. However, those multiple parameters may not be all readily available for every model test due to the differences in software version, variations of data set, number of exogenous/endogenous variables, number of data, the degree of validity, the degree of reliability, normality, outliers, and/or any required modifications based on the first run.

Figure 7: Research Model (AMOS version)



Generally, the matrix notation in SEM follows the pattern; $\eta = B\eta + \Gamma\xi + \zeta$, where; $\eta =$ "eta", refers to the vectors of the endogenous concepts; $B =$ "beta", shows the matrix of the coefficients' structures; $\Gamma =$ "gamma", indicates the matrix of the coefficients' structures; $\xi =$ "xi", denotes the vectors of the exogenous concepts, and $\zeta =$ "zeta", signifies the vector errors of the model. Hence, the matrix notation for latent exogenous variable can be written as; $X = \Lambda_x\xi + \delta$, where; X refers to the vector of the observed exogenous indicator; $\Lambda_x =$ "*lamda*", shows the matrix of the coefficients' structures; $\xi =$"*xi*", indicates the vector of the exogenous concepts; and $\delta =$"delta", denotes the vector error of the model. For the latent endogenous, the matrix notation can be written as; $Y_1 = \lambda_{11}^{(Y)}\eta + \varepsilon_1$, $Y_2 = \lambda_{21}^{(Y)}\eta + \varepsilon_2$, and $Y_3 = \lambda_{31}^{(Y)}\eta + \varepsilon_3$, to illustrate the relationships between intellectuals (Y_1), government (Y_2), and business (Y_3).

CHAPTER 4 – DATA ANALYSIS

IV.1. PROFILE OF TANGERANG SELATAN

Tangerang Selatan is an autonomous region, which is formed at the end of 2008 based on Law Number 51 Year 2008, on November 26, 2008 concerning the establishment of Tangerang Selatan in the province of Banten (Joniansyah, 2010; Menteri Hukum dan Hak Azasi Manusia Republik Indonesia, 2008b). The formation of a new autonomous region, which is a division from the regency of Tangerang, was conducted to improve services in the areas of governance, development, and socio-cultures, with the intention to enhance capabilities in exploiting the potentials in the area. With an area of 36 districts, a total of 1,159.05 km^2, and a total population of more than 3 million, the implementation of development and services to the community in the regency of Tangerang have not been completely exhausted. Such conditions need to be addressed by reducing the span of control of the government via the formation of a new autonomous region. With this intention in mind, the city of Tangerang Selatan is formed. The city of Tangerang Selatan covers Serpong, Serpong Utara, Pondok Aren, Ciputat, Ciputat Timur, Pamulang, and Setu (Menteri Hukum dan Hak Azasi Manusia Republik Indonesia, 2008b). Again, it is expected that public services can be drastically improved to accelerate the realizations of public welfare (Biro Humas dan Protokol Tangerang Selatan, 2012).

As of 2012, BPS recorded an increase in the economic growth rate in Tangerang Selatan to 8.7% in 2010, from 6.4% in 2009. At the same period, the average national economic growth was a mere 7.5% (Pemerintah Kota Tangerang Selatan, 2012b). With a motto of 'the smart, modern, and religious city', MSMEs in Tangerang Selatan appears to prosper along with the

increase of economic growth in the region (Sucipto, 2013). In Tangerang Selatan, there are about 3,196 registered MSMEs. Of this, only 144 registered MSMEs are included within the creative industry classification (Pemerintah Kota Tangerang Selatan, 2011; 2012a).

The local government has issued a policy, which provides free land titles and brands protection, in terms of intellectual property rights (IPR) to 50 MSMEs in Tangerang Selatan. This policy greatly assists SMEs to gain easy access to venture capital or business loans from banks. Sustainability policy is needed to prevent the discontinuity of the program. Considering the potential growth of SMEs has not constrained due to some issues, such as access to working capital or business loans, deregulation, business management and administration, plus continuity of raw materials supply (Sucipto, 2013).

Supports for the development of SMEs could increase the economic growth, provides more job opportunities, to develop the democracy of economy and ultimately improve the society welfare in various regions in Indonesia, as being major project in Tangerang Selatan City.

IV.2. DESCRIPTIVE ANALYSIS

In the following Table 6: Descriptive Statistics, it is apparent that the average of all data shows consistent responses, which are leaning toward “agree” and/or “strongly agree”.

The respondents are owners of MSMEs in creative industry, who are mainly included 3 categories; fashion, craft and printing. The descriptive analysis questions cover the overall respondent profile, their business location, number of employee of their business, number of machines owned by the business, capital that used to start the business, annual sales of the business and number of outlet that owned by the business.

Table 6: Descriptive Statistics

	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Gov1	75	3.8800	.91474	.837	-.954	.277	.818	.548
Gov2	75	3.9867	.93712	.878	-.783	.277	.341	.548
Gov3	75	3.9467	.95710	.916	-.937	.277	.546	.548
Gov4	75	4.1200	.86930	.756	-.492	.277	-.885	.548
Intellect1	75	3.8133	.91080	.830	-.609	.277	-.265	.548
Intellect2	75	3.8133	.94000	.884	-.817	.277	.811	.548
Intellect3	75	3.7600	.83569	.698	-.660	.277	.097	.548
Intellect4	75	3.8800	.99946	.999	-.755	.277	-.386	.548
Bus1	75	4.1467	.88062	.775	-.904	.277	.229	.548
Bus2	75	3.6133	.86826	.754	.086	.277	-.713	.548
Bus3	75	4.1733	.79480	.632	-.655	.277	-.153	.548
Bus4	75	4.1200	.95804	.918	-1.004	.277	.591	.548
People1	75	4.0933	.79140	.626	-.673	.277	.220	.548
People2	75	3.9067	.85698	.734	-.347	.277	-.564	.548
Industry1	75	4.1200	.85361	.729	-.771	.277	.046	.548
Industry2	75	4.1067	.90901	.826	-.881	.277	.097	.548
Industry3	75	4.1467	.76571	.586	-.629	.277	.084	.548
Industry4	75	4.1867	.86514	.748	-.890	.277	.153	.548
Tech1	75	3.3067	1.24089	1.540	-.262	.277	-1.023	.548
Tech2	75	3.1733	1.26676	1.605	-.131	.277	-1.186	.548
Res1	75	4.2000	.71660	.514	-.770	.277	.880	.548
Res2	75	4.2400	.89805	.806	-1.074	.277	.409	.548
Inst1	75	4.0667	.74132	.550	-.925	.277	1.492	.548
Inst2	75	4.4667	.68445	.468	-.916	.277	-.345	.548

	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Fin1	75	4.2000	.71660	.514	-.317	.277	-.987	.548
Fin2	75	3.8800	.85361	.729	-.836	.277	.417	.548
Found1	75	4.0400	.64599	.417	-.655	.277	1.649	.548
Found2	75	4.3600	.83245	.693	-1.056	.277	.142	.548
Sus1	75	4.2533	.75504	.570	-.461	.277	-1.100	.548
Sus2	75	3.9733	.82156	.675	-.851	.277	.676	.548

Source: SPSS

IV.2.1. Industry

From the total of 75 respondents, the majority of respondents, 58 of them (77.3%), are owners in fashion MSMEs. The remaining balance, 13 of them (17.3%) are owners in printing MSMEs and 4 of them (5.3%) are in craft. As one can evaluate clearly from the table above, Tangerang Selatan are dominated by fashion MSMEs. This finding mirrors the data of MSMEs from the local government in Tangerang Selatan (Pemerintah Kota Tangerang Selatan, 2011; 2012a).

Table 7: Respondents' Types of Industry

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Fashion**	**58**	**77.3**	**77.3**	**77.3**
	Craft	4	5.3	5.3	82.7
	Printing	13	17.3	17.3	100.0
	Total	75	100.0	100.0	

Source: SPSS

IV.2.2. Location

The Table 8: Respondents' Business Location shows that the majority of creative industry MSMEs is located in Serpong (28%), and Pondok Aren (31%). The large concentration of those MSMEs in Pondok Aren and Serpong may indicate the preferences of locations for the further growth of their businesses. On the contrary, it may be assumed that other areas, such as; Pamulang, Ciputat, Setu, Ciputat Timur, and Serpong Utara may not be the preferred locations for MSMEs in creative business. Those areas may be the home for other MSMEs in other industries.

Table 8: Respondents' Business Locations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Serpong**	**21**	**28.0**	**28.0**	**28.0**
	Pondok Aren	**23**	**30.7**	**30.7**	**58.7**
	Pamulang	11	14.7	14.7	73.3
	Ciputat	10	13.3	13.3	86.7
	Setu	3	4.0	4.0	90.7
	Ciputat Timur	4	5.3	5.3	96.0
	Serpong Utara	3	4.0	4.0	100.0
	Total	75	100.0	100.0	

Source: SPSS

IV.2.3. Employees

Based on Table 9: Respondents' Total Employees, the majority of MSMEs in creative industry within the proximity of Tangerang Selatan employ a maximum of 10 workers (73%). It shows that those respondents in this study are considered valid since it conforms to the classifications of BPS on MSMEs.

Table 9: Respondents' Total Employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1 - 5 Workers**	**29**	**38.7**	**38.7**	**38.7**
	6 - 10 Workers	**26**	**34.7**	**34.7**	**73.3**
	11 - 15 Workers	13	17.3	17.3	90.7
	16 - 20 Workers	7	9.3	9.3	100.0
	Total	75	100.0	100.0	

Source: SPSS

IV.2.4. Machinery/Equipment

The Table 10: Respondents' Machinery/Equipment shows that 87% of respondents own machinery/equipment to support their production and operational activities, regardless of the total numbers of machinery/equipment in their premises. The remaining balance of 13% indicates that they do not use any machinery/equipment. This may be assumed that they produce hand-made products. It may be possible that those 13% represents the craft industry with the likelihood of hand-made productions.

Table 10: Respondents' Machinery/Equipment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1 - 3 Machines**	**18**	**24.0**	**24.0**	**24.0**
	4 - 6 Machines	**27**	**36.0**	**36.0**	**60.0**
	7 - 9 machines	**14**	**18.7**	**18.7**	**78.7**
	> 9 Machines	**6**	**8.0**	**8.0**	**86.7**
	None	10	13.3	13.3	100.0
	Total	75	100.0	100.0	

Source: SPSS

IV.2.5. Number of Outlet

The following Table 11: Respondents' Numbers of Outlets shows that 27% of respondents do not have outlets. This may be due to the underlying costs of maintaining outlets, or even the owners of MSMEs in creative industry do not see the need of having outlets since they mainly engage in consignment methods, including export transactions, or even shipment within the territory of the Republic of Indonesia.

Table 11: Respondents' Numbers of Outlets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 3 Outlet	53	70.7	70.7	70.7

	4 – 6 Outlet	2	2.7	2.7	73.3
	None	**20**	**26.7**	**26.7**	**100.0**
	Total	75	100.0	100.0	

Source: SPSS

IV.2.6. Capital

Based on the questionnaire, the respondents' starting capitals are divided into 5 groups. Table 12: Respondents' Capital shows that 75% of respondents claim to have start-up capital of a minimum of Rp. 21 million, and a maximum of Rp. 40 million.

Table 12: Respondents' Capital

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 – 20 mil	9	12.0	12.0	12.0
	21 – 30 mil	**31**	**41.3**	**41.3**	**53.3**
	31 – 40 mil	**25**	**33.3**	**33.3**	**86.7**
	41 – 50 mil	8	10.7	10.7	97.3
	> 60 mil	2	2.7	2.7	100.0
	Total	75	100.0	100.0	

Source: SPSS

IV.2.7. Annual Sales

As shown in Table 13: Respondents' Annual Sales, 80% of respondents claim to have a minimum annual sales of Rp. 51 million, and a maximum annual sales of Rp. 150 million.

Table 13: Respondents' Annual Sales

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10 – 50 mil	2	2.7	2.7	2.7
	51 – 100 mil	**27**	**36.0**	**36.0**	**38.7**
	101 – 150 mil	**33**	**44.0**	**44.0**	**82.7**
	151 – 200 mil	9	12.0	12.0	94.7
	> 200 mil	4	5.3	5.3	100.0
	Total	75	100.0	100.0	

Source: SPSS

IV.3. RELIABILITY AND VALIDITY TEST

IV.3.1. Validity Test

The following Table 14: Validity Test (based on Item-Total Statistics) shows that the values of corrected item-total correlation are all greater than 0.250, as the cut-off value for alpha 0.05, and a degree of freedom of 73. This means that all indicators are considered valid.

Table 14: Validity Test (based on Item-Total Statistics)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Gov1	116.0933	364.653	.719	.972

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Gov2	115.9867	363.851	.723	.972
Gov3	116.0267	358.999	.846	.971
Gov4	115.8533	366.451	.703	.972
Intellect1	116.1600	362.839	.776	.972
Intellect2	116.1600	364.569	.700	.972
Intellect3	116.2133	365.548	.762	.972
Intellect4	116.0933	359.113	.805	.972
Bus1	115.8267	371.037	.554	.973
Bus2	116.3600	368.125	.652	.973
Bus3	115.8000	364.730	.831	.972
Bus4	115.8533	366.343	.636	.973
People1	115.8800	366.404	.778	.972
People2	116.0667	366.252	.720	.972
Industry1	115.8533	362.343	.847	.971
Industry2	115.8667	363.144	.768	.972
Industry3	115.8267	366.388	.806	.972
Industry4	115.7867	364.792	.758	.972
Tech1	116.6667	363.225	.546	.974
Tech2	116.8000	364.324	.510	.974
Res1	115.7733	368.070	.801	.972
Res2	115.7333	360.658	.854	.971
Inst1	115.9067	371.113	.663	.972
Inst2	115.5067	372.388	.671	.972
Fin1	115.7733	368.394	.788	.972
Fin2	116.0933	361.491	.874	.971
Found1	115.9333	370.874	.776	.972
Found2	115.6133	362.916	.851	.971
Sus1	115.7200	365.015	.867	.971
Sus2	116.0000	365.784	.768	.972

Source: SPSS

As mentioned in chapter 3, the level of validity can also be examined by noting the value of KMO and Bartlett's test, as shown in the following table.

Table 15: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.886**
Bartlett's Test of Sphericity	Approx. Chi-Square	2815.899
	Df	435
	Sig.	.000

Source: SPSS

IV.3.2. Reliability Test

As mentioned in chapter 3, reliability denotes the degree of consistency of all statements in the questionnaire in repeated trials. Hence, when the responses from all respondents are relatively similar, the statements on the questionnaire may be considered reliable. This study relies on the value of Cronbach's Alpha in gauging the level of reliability. The higher the value of Cronbach's Alpha, the better the level of reliability (Cooper & Schindler, 2008; Ghozali, 2004; Sekaran, 2003; Sugiyono, 2001; Yamin & Kurniawan, 2009).

Table 16: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.973	**.976**	30

Source: SPSS

IV.4. RELATIONSHIPS AMONG VARIABLES

Since the reliability and validity show acceptable results, the analysis can be further processed. The following Figure 8: Structural Equation Modeling shows the relationships among endogenous and exogenous variables.

The illustration shows that all the possible relationships among variables are relatively strong, except "technology" as a parameter for "foundation and pillars of the creative industry". Hence, looking at the results of the modification indices, as shown in Table 17: Modification Indices, it appears that there are "missing" relational connections between some residual errors, which may have to be further examined, and/or re-run to re-evaluate all relationships. Nonetheless, not all relational connections can be further examined due to their "status/positions" of those residual errors with both endogenous and exogenous variables, and/or the relatively insignificant values associated with such relations. The only possible relational connections, which can be further examines, and/or re-run, are between the residual errors of technology and people since they have higher values of modification indices and their status/positions associated with both endogenous and exogenous variables.

Figure 8: Structural Equation Modeling

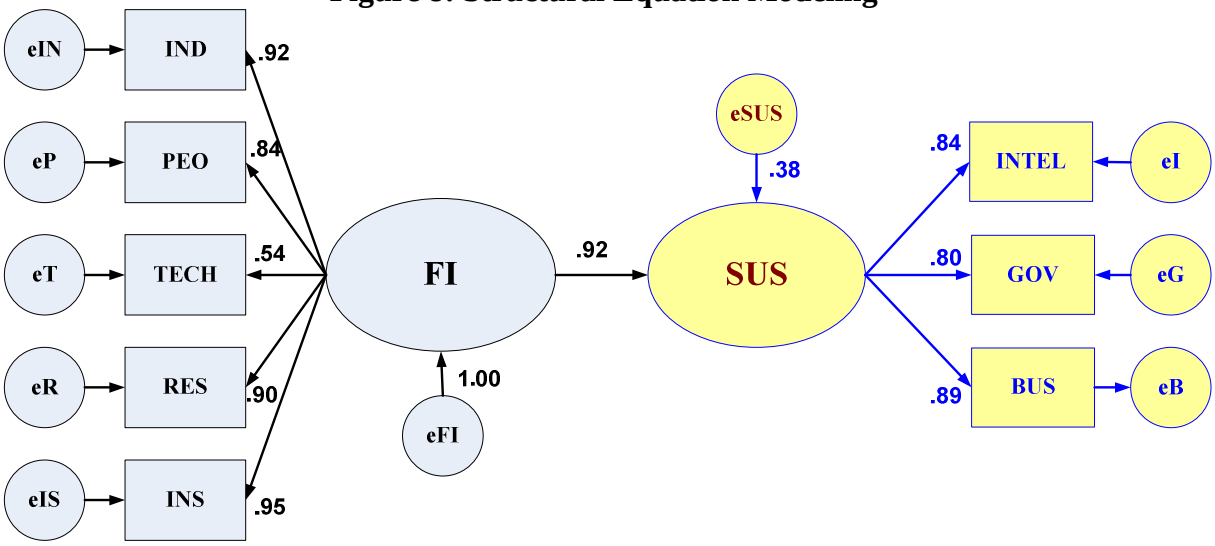


Table 17: Modification Indices

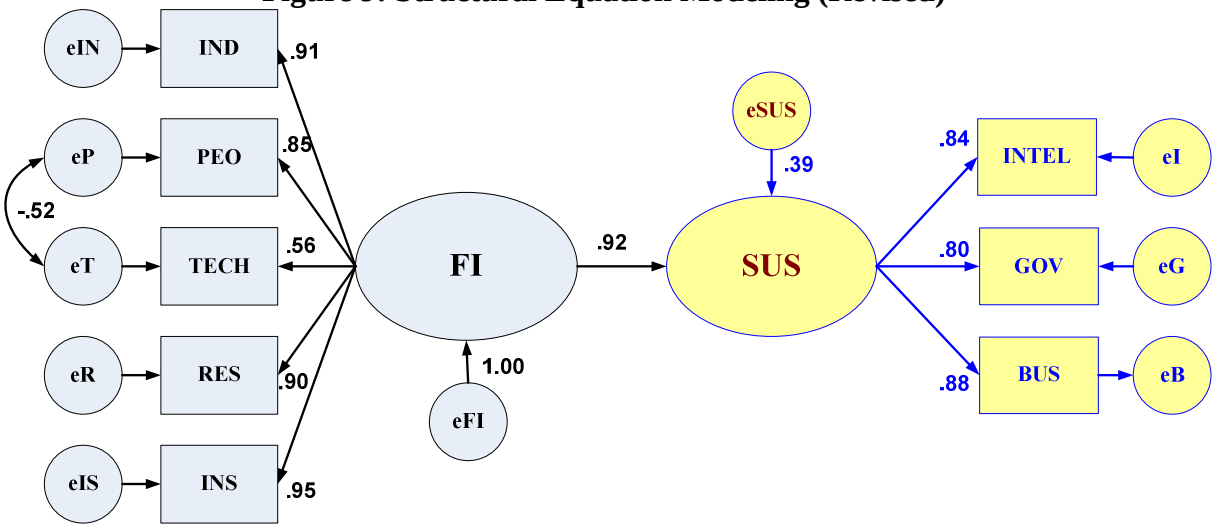
			M.I.	Par Change
eT	**<-->**	**eP**	**15.591**	**-.200**
eR	<-->	eSUS	8.077	.146

			M.I.	Par Change
eR	<-->	eG	8.733	.065
eIS	<-->	eB	5.073	-.025

Source: AMOS

Considering such results, as mentioned above, the variables are re-run in AMOS with an additional relationship between the residual errors in people and technology. The following shows the revised relationships among variables and indicators.

Figure 9: Structural Equation Modeling (Revised)



Based on the revised/modified model, though the output is not drastically changed, it is important to note that there is a negative relationship between the residual errors of people and technology. These residual errors relationships denote the inverse relation among variables. From the managerial perspective, it may be translated into variations of potential errors that might be happening in the future based on those variables. On one hand, it may be necessary to distinguish potential errors of people, which may be commonly referred to as "human errors", in setting-up any technological peripherals, machinery, and equipment. This may bring about defective outputs and mistakes, which presses-down efficiency. On the other hand, it may be necessary to also recognize potential "errors" of technology, which may not be perfectly matched with the human skills, talents, and abilities, particularly in MSMEs in creative industry. Considering the statements on the questionnaire, it can be evaluated that the access to information technology and communication technology, including the existence of production technology may not able to provide maximum benefits for MSMEs in creative industry.

In terms of the goodness of fit, though the revised model is able to show an additional relationship, nonetheless the criteria of model fitness do not show a drastic improvement. Relying on p-value, the original model should be made as a reference in this study since it shows a higher probability of occurring, as shown in Figure 8: Structural Equation Modeling. However, relying on the value of CMIN/df, the revised model should be made as a reference in this study since it shows a lower value of chi-square, as shown in Figure 9: Structural Equation Modeling (Revised). The following table shows the comparisons on some criteria of the goodness of fit.

Table 18: Comparison on Goodness of Fit

	Criteria	Original Model	Revised Model	Justifications
p-value	Higher than 0.05	0.000	**0.010**	The revised model has a better p-value
CMIN	Smaller	50.974 (df = 16)	**32.037** (df = 15)	The revised model has a smaller CMIN
CMIN/df	Smaller than 5	3.186	**2.002**	The revised model has a smaller CMIN/df
CFI	Closer to 1	0.937	**0.971**	The revised model has a higher CFI
TLI	Higher than 0.90	0.858	**0.935**	The revised model has a higher TLI
NFI	Higher than 0.90	0.913	**0.946**	The revised model has a higher NFI
PNFI	Higher	0.406	**0.420**	The revised model has a higher PNFI
RMSEA	Less than 5	0.168	**0.114**	The revised model has a lower RMSEA
Reliability	Higher than 0.70	**0.976**		The level of reliability is above the criteria and reaching closer to 1
Validity	Higher than 0.70	**0.886**		The level of validity is above the criteria

Source: AMOS

With both models are regarded fit, it is apparent that;

- The "foundation and pillars of the creative industry" has a strong influence of 92% toward the formation of internal sustainability of the creative industry. This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). Referring to the following table, from the scale of 1-5, it is apparent that the averages of responses, which range from 3.97 to 4.36, support the relatively strong influence between the variables. The averages indicate that respondents are relatively agree with the each of the statements on the questionnaire about the elements of the foundation and pillars of the creative industry, including the elements of internal sustainability of the creative industry. The higher the averages, the stronger the influences between variables. This signifies that as the foundation and pillars of the creative industry strengthens, the internal sustainability improves.

Table 19: Average Responses on Foundation & Sustainability

FOUND1	FOUND2	SUST1	SUST2
4.04	4.36	4.25	3.97

Source: Questionnaire

- The indicator "industry" has a strong explanatory power of 91% toward "foundation and pillars of the creative industry". It means a slight increase of a mere 1% in the industry potentials, facilities, space, and readily available raw materials may likely strengthen the foundation and pillars of the creative industry in the city of Tangerang Selatan, by as much as 91%. This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). From the scale of 1-5, the following table shows the relatively good averages for each of the statements on the questionnaire. Those averages denote that

respondents are relatively agree with the statements on the questionnaire about industry. As the averages increase, the explanatory power strengthens. This simply means that as the overall industry strengthens, the foundation and pillars of the creative industry become more solid. Hence, this supports the statistical finding of a strong explanatory power, as mentioned above.

Table 20: Average Responses on Industry

INDUSTRY1	INDUSTRY2	INDUSTRY3	INDUSTRY4
4.12	4.11	4.15	4.19

Source: Questionnaire

- The indicator "people" has a strong explanatory power of 85% toward "foundation and pillars of the creative industry". This means that an increase of 1% in peoples' expertise, training, and entreprenuerial spirit may likely strengthen the foundation and pillars of the creative industry in the city of Tangerang Selatan, by as much as 85%. This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). From the scale of 1-5, the following table shows good averages. The higher the average, the stronger the explanatory power. This is translated as the availability of people in the creative industry strengthens the foundation and pillars of the creative industry.

Table 21: Average Responses on People

PEOPLE1	PEOPLE2
4.09	3.91

Source: Questionnaire

- The indicator "technology" has a low-medium explanatory power of 56% toward "foundation and pillars of the creative industry". This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). From the scale of 1-5, the following table also confirms the low-medium explanatory power, as found in the structural equation modeling calculations. The averages show that respondents are commonly indifferent about the statements on the questionnaire about technology, particularly on the use of information/communication technology, and production technology. Hence, it appears that the existence and/or the availability of those information/communication technology and the production technology is undecisive, whether or not the technology optimally supports the operational activities of MSMEs in creative industry. One plausible concern may be the price of those technology, which may become unaffordable to those MSMEs due to the rising requirements on their working capital.

Table 22: Average Responses on Technology

TECH1	TECH2
3.31	3.17

Source: Questionnaire

- The indicator "resources" has an explanatory power of 90% toward "foundation and pillars of the creative industry". This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). Though it is expected that the means of responses are much higher,

nonetheless, from the scale of 1-5, the following table shows that respondents are reasonably agree with the statements on the questionnaire about resources, particularly concerning the availability of natural ingredients in the city of Tangerang Selatan. This supports the strong explanatory power of resources toward the foundation and pillars of the creative industry. As the averages increase, the explanatory power jumps. This is simply mean that as the availability of resources improves, the foundation and pillars of the creative industry strengthens.

Table 23: Average Responses on Resources

RES1	RES2
4.20	4.24

Source: Questionnaire

- The indicator "institution and financial intermediaries" has an explanatory power of 95% toward "foundation and pillars of the creative industry". This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). Though it is originally expected to show higher averages, from the scale of 1-5, the following table shows good averages. Such good averages signify that respondents tend to agree with the statements on the questionnaire, mainly on institutions and financial intermediaries, particularly on IPR, the presence of associations, financing schemes, financial assistance, and existence of creative industry. As the averages rise, the explanatory power enhances. This means that institutions and financial intermediaries present a substantial contribution toward a solid foundation and pillars of the creative industry.

Table 24: Average Responses on Institutions & Financial Intermediaries

INST1	INST2	FIN1	FIN2	FOUND1	FOUND2
4.07	4.47	4.20	3.88	4.04	4.36

Source: Questionnaire

- The indicator "intellectual" has an explanatory power of 84% toward "internal sustainability of the creative industry". This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). Though it is originally expected to have higher averages, nonetheless, from the scale of 1-5, the following table shows medium-high averages. Such medium-high averages conform to the medium-high explanatory power, as calculated in the structural equation modeling.

Table 25: Average Responses on Intellectuals

INTELEC1	INTELEC2	INTELEC3	INTELEC4
3.81	3.81	3.76	3.88

Source: Questionnaire

Comparing to the statements in the questionnaire, those medium-high averages means that respondents are not fully in-agreement, particularly concerning statements about educational curriculum, multi-disciplinary research, freedom of expression, and participations in training sessions. It is expected, however, that the higher the averages, the more solid the level of sustainability of the creative industry. In this case,

modifications on educational curriculum, and training sessions toward usefulness and practicality (Anantadjaya S. P., 2007; Anantadjaya, Nawangwulan, Hardianto, & Finardi, 2013), including pushes for multi-disciplinary research and freedom of expression may likely amplify the sustainability of the creative industry.

- The indicator "government" has an explanatory power of 80% toward "internal sustainability of the creative industry". This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). Though it is originally expected to have higher averages, nevertheless, from the scale of 1-5, the following table shows medium-high averages. Such medium-high averages conform to the medium-high level of explanatory power, as calculated in structural equation modeling. In this case, basically, respondents are not fully in-agreement with the statements in the questionaire, particularly concerning business climate, appreciation/award, organized training by the government, and motivational gifts from the government. This indicates an area for improvement. As the averages swell, the level of explanatory power expands. This means that should the government augments its presence in the creative industry via improving the business climate, inflating appreciation/award/gifts, and betterment in organizing training, the contribution toward prolonging sustainability of the creative industry soars.

Table 26: Average Responses on Government

GOV1	GOV2	GOV3	GOV4
3.88	3.99	3.95	4.12

Source: Questionnaire

- The indicator "business" has an explanatory power of 88% toward "internal sustainability of the creative industry". This condition seems to conform to the previous studies by other researchers in other countries (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998). The averages shown in the following table seem to conform to the level of explanatory power of businesses. From the scale of 1-5, it is apparent that predominantly respondents are agree with the statements in the questionnaire, particularly on entrepreneurship training, financing schemes, appropriateness of marketing strategy, and the existence of creative community. In this case, financing scheme turns up to be relatively indifferent, where respondents need more assurance toward agreeableness. Undoubtedly, the higher the averages, the higher the explanatory power toward prolonging sustainabilty of the creative industry. This means, as the community joins hands together in shaping and formulating the entrepreneurship training, financing schemes, marketing strategy and forming a creative community, sustainability becomes more lasting.

Table 27: Average Responses on Business & Sustainability

BUS1	BUS2	BUS3	BUS4	SUST1	SUST2
4.15	3.61	4.17	4.12	4.25	3.97

Source: Questionnaire

With such quantitative and qualitative analysis, it becomes apparent that the foundation and pillars of creative industry, which consists of industry, people, technology, resources, institutions, and financial intermediaries, significantly influences the internal sustainability of creative industry, through the presence of groups of intellectuals, government, and businesses.

Hence, the research hypothesis in this study is statistically confirmed. Since the research hypothesis is statistically confirmed, it is safe to conclude that the existence of industry, people, technology, resources, institutions, and financial intermediaries are the substantial driving forces toward organizational growth for MSMEs in the city of Tangerang Selatan.

CHAPTER 5 – CONCLUSION AND RECOMMENDATION

V.1. CONCLUSION

This research analyses the driving factors on organizational growth, in terms of MSMEs within the creative industry in Tangerang Selatan. Following the distribution of questionnaires, literature studies, FGD, and other qualitative research, aside from the respondents profiles, this study arrives into 2 broad conclusions; (1) driving factors on organizational growth of MSMEs in creative industry in Tangerang Selatan, and (2) which one of those driving factors show the highest influence toward organizational growth of MSMEs in creative industry in Tangerang Selatan.

V.1.1. Respondent Profile

The following are the summary for the respondents' profiles in this study;

1. Based from the analysis of the secondary data, there are 3,196 MSMEs in Tangerang Selatan. Of those, only 144 MSMEs can be categorized into creative industry sub-sectors in Tangerang Selatan. Comparing to the 14 classifications of creative industry, as per the Government of Indonesia, those 144 MSMEs in Tangerang Selatan, are categorized only into 3 sub-sectors, which are; fashion (107 MSMEs), crafts (10 MSMEs), and printing (27 MSMEs).

2. Pondok Aren is considered as the strategic location for MSMEs growth. Because 31% of SMEs are located in Pondok Aren, 28% in Serpong, 15% in Pamulang, 13% in Ciputat, 5% Ciputat Timur, 4% both in Setu and Serpong Utara.

3. 74% MSMEs have 1-10 employees, 60% of them have 1-6 machinery/equipment, and 70% MSMEs have 1-3 outlets.

4. 74% MSMEs have approximately Rp. 21-40 million as their start-up capital. In return, 80% of them claimed to have received approximately Rp. 51-150 million in annual sales.

V.1.2. Driving Factors

Based on the analysis of the both primary and secondary data, this study concludes 8 driving factors on organizational growth of MSMEs in creative industry. Those driving factors include; industry, people, technology, resources, institutions/financial intermediaries, intellectuals, government, and businesses. As mentioned in the underlying theoretical references, those driving factors are actually prescribed as "the Triple Helix" (Etzkowitz, 2008; Leydesdorff, 2012; Leydesdorff & Etzkowitz, 1998; Leydesdorff & van den Besselaar, 1997). Hence, this study has empirically confirmed that the ingredients of the triple helix support MSMEs in creative industry in the city of Tangerang Selatan.

Referring to the structural equation modeling, as shown in Figure 8: Structural Equation Modeling and Figure 9: Structural Equation Modeling (Revised), the most influential factors toward organizational growth as well as internal sustainability, in terms of MSMEs in creative industry in the city of Tangerang Selatan, in hierarchical orders are; the presence of institutions and financial intermediaries (95%), the presence of industry (91%), the availability of resources (90%), the presence of business group/community (88%), the formal education/training (84%), the role of government (80%), and the use of technology (56%). The conclusions on those driving factors are supported by the FGD (2013), whereby the results of FGD indicated 5 factors, which are considered crucial toward organizational

growth as well as internal sustainability; people, industry, business, government, and resources (please see Appendix 1: Summary on Focus Group Discussion).

V.2. RECOMMENDATIONS

Given the conclusions of this study, the sets of recommendations can be formulated as follows;

V.2.1. Creative Industry in Tangerang Selatan

Considering that the majority of indicators used in this study, which were basically based on the elements in "Triple Helix", have shown significance of influence, the creative industry in Tangerang Selatan may have to analyze the following issues;

1. In terms of "industry", the facts show that development in the city of Tangerang Selatan represent the fastest growth. Aside from the expanding housing complexes, educational institutions and shopping centers are more prominent in Tangerang Selatan in comparison with other districts/regions in the province of Banten. Such facts symbolize the market potential, which can also be translated as opportunity for growth, particularly for those MSMEs in creative industry in Tangerang Selatan. Hence, the city of Tangerang Selatan appears to be proper and in the center of development. Ensuring the sustainability of creative industry in this region may well be the top priority. Also, expanding into other regions may also pose significant future incentives.

2. In terms of "people", it is necessary to focus on developing employees' skills. In fashion and craft industry, specifically, it is vital to increase sewing skills (and other technical skills), focus on hand-made products, but also in creativity and innovation. Owners need to provide understanding about trend in the fashion industry to their employees. For instance, fashion trend and styles for the Ramadhan seasons. Not only noting the increasing demand on moslem outfits and attires during that season, but also learn the styles from other locations, cultures, or even countries. This may likely increase options and models. Undoubtedly, it is expected that such option and models may increase orders, traffics and turnovers.

3. In terms of "technology", since one of the creative industry in Tangerang Selatan studies in this research is printing industry, this printing industry shows very good and strong position in the market. The availability, presence, and/or use of technologiy have proven to boost the strong position in the marketplaces. People from neighboring cities/towns are willing to go to Tangerang Selatan just to get better printing services. Hence, printing MSMEs may have to accustomed themselves into incorporating the actual use of technology in their production activities. For fashion and craft, sophisticated technology may not be required as in the printing industry.

4. In terms of "resources", unfortunately, this study finds that raw materials are not abundantly available in Tangerang Selatan. Nonethelss, though the proximity of Tangerang Selatan does not have the abundance of the required raw materials for creative industry in fashion, printing and crafts, there are opportunities for craft MSMEs to focus on producing the required materials along with their regular production processes in Tangerang Selatan. In doing so, the craft MSMEs may have the opportunity to start creating specializations in characters, models, shapes, color, and any other tangible parameters, which are specific only to Tangerang Selatan. Of course, this can be further carried-out by the support of government toward the availability of materials, as well as

ensuring the healthy level of competition that might occur following the specializations on those materials.

5. In terms of "institutions/financial intermediaries", this study finds out that MSMEs in creative industry may a bit hesitant to connect with the institutions/financial intermediaries. On one side, the level of difficulties in obtaining the necessary clearance toward financing is just to high. On the other side, administration protocol in relations with IPR and making sure that associations are formed and in-operational properly may also pose huge impediments. Although MSMEs in creative industry is the one urgently needed, such hurdles may have to be prioritized by the triplets' work agenda of businesses, government and intellectuals. Without supports from the "triplets", MSMEs may not able to achieve the realization stage.

6. In terms of "intellectual", it becomes crucial to start modifying and/or enforcing the educational curriculum to further continue the birth of future entreprenuers, including getting the hands-on experience of multi-tasking that creative industry is desperately needed.

7. In terms of "government", it is important to always have the commitment and support from the government. The support may be classified into 2 categories; (1) administrative support and commitment in terms of; business permits, trading and export-import assistance, financing, flexibilities, exhibitions, overseas events, contact persons to bring-in potential orders, and (2) the formation of representatives and/or associations to focus on the growth of creative industry. This second classification of support may also sustain other elements/indicators in this study, particularly; businesses, intellectuals, institutions, financial intermediaries, and industry.

8. In terms of "business", it is crucial to keep pushing forward on the formation of creative community and flexible/attractive financing scheme for MSMEs in creative industry in the city of Tangerang Selatan. Unfortunately, this includes the necessity toward formalizing the proper training/guidances on entrepreneurship, business management, and marketing strategy to constantly encourage the development of creative industry. It seems that the successfulness in proping for businesses depend on the network with government and groups of intellectuals.

V.2.2. Further Studies

Since this study has statistically tested the research model, one further study, at least, may need to return to the field and verify this research model for approximate conformation with realities in the marketplaces. In addition, further studies may have to include all 144 registered MSMEs in the creative industry in the city of Tangerang Selatan. Likewise, qualitative studies to accompany the initial FGD in April 2013 may have to be conducted again to note stories, experience, and related issues concerning creative industry, from other market players/owners/entrepreneurs in creative industry, particularly from fashion, printing, and craft sub-sectors within the creative industry. This is recommended for future studies as a way to increase accuracy and relevance of findings. Also, future studies may have to consider more qualitative approaches to bring-out the practical significance within the boundaries of creative industry in the city of Tangerang Selatan.

BIBLIOGRAPHY

Abimanyu, Y., Bryant, D., Daryanto, Bandono, B., Mahrani, T., Ngapon, et al. (2011). Potensi Perusahaan UKM Untuk Go Public. *Departemen Keuangan Republik Indonesia* , 1-53.

Adi, B. W. (2013). Menjawab Tantangan Industri Kreatif di Bidang Penerbitan dan Percetakan Dalam Rangka Meningkatkan Budaya Baca Masyarakat. *Konferensi Nasional "Inovasi dan Technopreneurship"*. Bogor, Indonesia: Institut Pertanian Bogor.

Anantadjaya, S. P. (2007). Entrepreneurs vs. Business Plans: A Study of Practicality and Usefulness. *The South East Asian Journal of Management , 1* (2), 143-168.

Anantadjaya, S. P. (2009). Measuring Human Resources: A Case Study in Small and Medium Enterprises. *Seminar Nasional Industrial Services.* Cilegon, Banten, Indonesia: Jurusan Teknik Industri, Universitas Sultan Ageng Tirtayasa.

Anantadjaya, S. P., Finardi, B. A., & Nawangwulan, I. M. (2011). The Viability of Small/Micro Businessess in Indonesia: Implications of the Entrepreneurial Mindset Development Model? *Journal of Global Entrepreneurship, Vol. 1, No. 1, ISSN # 997-2229-9203 , 1* (1), 26-43.

Anantadjaya, S. P., Nawangwulan, I. M., Hardianto, F. N., & Finardi, B. A. (2013). Creating Entreprenuerial Spirit: Role of Educators? *RIBER: Review of Integrative Business & Economic Research, Vol. 2, No. 1 (ISSN # 2304-1013)* , 292-318.

Antariksa, B. (2012). Konsep Ekonomi Kreatif: Peluang dan Tantangan Dalam Pembangunan di Indonesia. Jakarta: The Ministry of Tourism and Creative Economy.

Aoki, M. (2001). *Towards a Comparative Institutional Analysis.* Cambridge, MA, USA: MIT Press.

Badan Pusat Statistik. (2012). *Publikasi Terbit 2012.* Jakarta, Indonesia: Badan Pusat Statistik Republik Indonesia.

Badan Pusat Statistik. (2010). *Tangerang Selatan Kota dalam Angka*. Retrieved June 2, 2013, from BPS Tangerang Selatan: http://tangselkota.bps.go.id

Biro Humas dan Protokol Tangerang Selatan. (2012, July 22). *Profil Kota Tangerang Selatan*. Retrieved May 19, 2013, from Biro Humas dan Protokol: http://www.humasprotokol.bantenprov.go.id

BOP Consulting. (2010, September 9). *Mapping the Creative Industries: A Toolkit.* Retrieved May 25, 2013, from British Council's Creative and Cultural Economy Series: http://www.britishcouncil.org

Brewer III, E., & Genay, H. (1994). Funding Small Businesses Through the SBIC Program. *Economic Perspective, Vol. 18, No. 3, Federal Reserve Bank of Chicago* , 22-34.

Cooper, D. R., & Schindler, P. S. (2008). *Business Research Methods, 10th Edition, International Edition, ISBN # 978-007-126333-7.* New York, NY, USA: McGraw-Hill/Irwin.

CPA Australia Ltd. (2012). *The CPA Australia Asia-Pacific Small Business Survey 2012: Australia, Hong Kong, Indonesia, Malaysia, New Zealand and Singapore.* Retrieved June 1, 2013, from CPA Australia (ISBN # 978-1-921742-37-8): https://www.cpaaustralia.com.au

Csikszentmihalyi, M. (1997). *Creativity: Flow and the Psychology of Discovery and Invention.* New York, USA: Harper Perennial.

Departemen Perdagangan Republik Indonesia. (2010a, March 12). *Rencana Pengembangan Industri Kreatif Menuju Visi Ekonomi Kreatif Indonesia 2030.* Retrieved March 30, 2013, from Rencana Pengembangan Ekonomi Kreatif Indonesia 2009-2015: http://dgi-indonesia.com/wp-content/uploads/2009/05/

Departemen Perdagangan Republik Indonesia. (2010b). *Studi Industri Kreatif Indonesia 2009: Update.* Jakarta, Indonesia: Departemen Perdagangan Republik Indonesia.

Departemen Perdagangan Republik Indonesia. (2007, October 21). *Studi Mapping Industri Kreatif Indonesia versi Departemen Perdagangan RI* . Retrieved June 17, 2013, from Industri Kreatif Indonesia: http://industrikreatif-depdag.blogspot.com/2007/10

Dhliwayo, & Vuuren, V. (2007). The Strategic Entrepreneurial Thinking Imperative. *University of Johannesburg Journal* , 1-12.

Ellen, C., Anantadjaya, S. P., & Saroso, P. A. (2014). Determinants of Entrepreneurial Success on Indonesian Food Service MSMEs. *proceeding, Interdisciplinary Business & Economic Research Conference, February 2014, paper ID # KL14-028.* Kuala Lumpur, Malaysia: SIBR (ISSN # 2223-5078).

Etzkowitz, H. (2008). *The Triple Helix: University-Industry-Government Innovation in Action.* London, UK: Routledge.

Fatimah-Salwa, A. H., Azahari, A. M., & Tamkin, B. J. (2013). Success Factors of Successful Microcredit Entrepreneurs: Empirical Evidence from Malaysia. *International Journal of Business & Social Science* , 153-159.

FGD. (2013, April 25). Focus Group Discussion on Influential Factors in Creative Industry in South Tangerang. (SGU, Interviewer)

Flew, T. (2010). Toward a Cultural Economic Geography of Creative Industries and Urban Development: Introduction to the Special Issue on Creative Industry and Urban Development. *The Information Society, Vol. 26, ISSN # 0197-02243 (print)/1087-6537 (online)* , 85-91.

Florida, R. (2002). *The Rise of the Creative Class and How It's Transforming Work, Leisure and Everyday Life.* New York, USA: Basic Books.

Foord, J. (2008). Strategies for Creative Industries: An International Review. *Creative Industries Journal, Vol. 1, No. 2* , 91-113.

Ghozali, I. (2004). *Model Persamaan Struktural: Konsep dan Aplikasi dengan program AMOS ves. 5.0.* Semarang, Indonesia: Badan Penerbit Universitas Diponegoro.

Greiner, L. E. (1998, May). *Evolution and Revolution as Organizations Grow*. Retrieved May 1, 2013, from Harvard Business Review Global Edition: http://hbr.org/1998/05/evolution-and-revolution-as-organizations-grow

Hasmondhalgh, D. (2007). *The Cultural Industries.* London, UK: Sage.

Howkins, J. (2001). *The Creative Economy: How People Make Money From Ideas.* London, UK: Pinguin Books.

Indonesia Kreatif. (2008, January 17). *Studi Industri Kreatif Indonesia.* Retrieved May 6, 2013, from indonesiakreatif.net: http://indonesiakreatif.net/article

Indra, J. (2011, July). The Role of Balanced Scorecard in Boosting Firm's Performance: An Industrial Study in Indonesia's Publicly-Listed Financing Firms. *Undergraduate Thesis in the School of Business* . BSD City, Serpong, Tangerang, Indonesia: Faculty of Business Administration & Humanities, Swiss German University.

Indra, J., & Anantadjaya, S. P. (2011, November). Balancing the Firm's Scores: A Performance and Control Study in Indonesian Financing Industry. *7th Asia Pacific*

Management Accounting Association Conference & Doctoral Colloquium Proceedings , 1-27.

Jin, D. Y. (2012). Hallyu 2.0: The New Korean Wave in the Creative Industry. *University of Michigan International Journal* , 3-7.

Joniansyah. (2010, July 29). *Hari Lahir Kota Tangerang Selatan Ditetapkan 26 November*. Retrieved May 26, 2013, from tempo.co: Metro - Tata Kota: http://www.tempo.co/read/news/2010/07/29/082267150

Kelompok Kerja Indonesia Design Power. (2008). *Pengembangan Ekonomi Kreatif Indonesia 2025.* Jakarta, Indonesia: Departemen Perdagangan Republik Indonesia.

Kementerian Perindustrian Republik Indonesia. (2013, February). *Berita Industri: Kawasan Industri Fashion di Serpong.* Retrieved June 22, 2013, from Kementerian Perindustrian Republik Indonesia: https://www.kemenperin.go.id/artikel/5686/kode-etik

Kuncoro, M. (2000, November 18). *Usaha Kecil di Indonesia: Profil, Masalah dan Strategi Pemberdayaan.* Retrieved June 10, 2013, from mudrajad.com: http://mudrajad.com/download/journal/

Landry, C., & Bianchini, F. (1995). *The Creative City.* London, UK: Demos.

Langford, S. (2011, April 12). *Creativity: Definitions*. Retrieved May 10, 2013, from Blogger: http://creativityproductivethinking.blogspot.com/2011/04/definitions.html

Lei, P.-W., & Wu, Q. (2007). An NMCE Instructional Module on Introduction to Structural Equation Modeling: Issues and Practical Considerations. State College: The Pennsylvania State University.

Leydesdorff, L. (2012, February). *The Triple Helix of University-Industry-Government Relations.* Retrieved June 1, 2013, from eprints.rclis.org: http://www.eprints.rclis.org/16559

Leydesdorff, L., & Etzkowitz, H. (1998). The Triple Helix as a Model for Innovation Studies. *Science & Public Policy, Vol. 25, No. 3* , 192-203.

Leydesdorff, L., & van den Besselaar, P. (1997). Scientometrics and Communication Theory: Towards Theoretically Informed Indicators. *Scientometrics, Vol. 38, No. 1* , 155-174.

Matsuo, D., Fong, G., Yanagida, J., & Cabal, C. (2001). Factors Associated with Business and Family Success: A Comparison of Single Manager and Dual Manager Family Business Households. *Journal of Family and Economic Issues, Vol. 1, No. 22* , 55-73.

Menteri Hukum dan Hak Azasi Manusia Republik Indonesia. (2008a). *Undang-Undang Republik Indonesia Nomor 20, Tahun 2008, tentang Usaha Mikro, Kecil, dan Menengah.* Jakarta, Indonesia: Dewan Perwakilan Rakyat Republik Indonesia dan Presiden Republik Indonesia.

Menteri Hukum dan Hak Azasi Manusia Republik Indonesia. (2008b). *Undang-Undang Republik Indonesia Nomor 51, Tahun 2008, tentang Pembentukan Kota Tangerang Selatan di Propinsi Banten.* Jakarta, Indonesia: Dewan Perwakilan Rakyat dan Presiden Republik Indonesia.

Nelson, R. R. (1994). Economic Growth via the Coevolution of Technology and Institutions. In L. Leydesdorff, & P. van den Besselaar, *Evolutionary Economics and Chaos Theory: New Directions in Technology Studies* (pp. 21-32). London, UK: Printer Publishing.

Nelson, R. R., & Winter, S. G. (1982). *An Evolutionary Theory of Economic Change.* Massachusetts, USA: Belknap Press of Harvard University Press.

Neneh, N. B., & Vanzyl, J. (2012). Towards Establishing Long Term Surviving Small and Medium Enterprises (SMEs) in South Africa: An Entrepreneurial Approach. *African Journal of Business Management , 6* (28), 1-17.

Pemerintah Kota Tangerang Selatan. (2012a). *Data UKM Tangerang Selatan.* Retrieved April 30, 2013, from Kota Tangerang Selatan: www.docstoc.com/docs/140343556/data-ukm

Pemerintah Kota Tangerang Selatan. (2011). *Koperasi dan UKM.* Retrieved June 15, 2013, from Pemerintah Kota Tangerang Selatan: http://tangerangselatankota.go.id/main/page

Pemerintah Kota Tangerang Selatan. (2012b, February 11). *Laju Pertumbuhan Ekonomi Kota Tangsel Tembus 8,7 Persen.* Retrieved May 15, 2013, from Pemerintah Kota Tangerang Selatan: http://tangerangselatankota.go.id/read/news/

Saleem, M. A., & Sheikh, M. I. (2011). Measuring Impact of Demographic and Environmental Factors on Small Business Performance: A Case Study of D. I. Khan KPK (Pakistan). *Developing Country Studies, Vol. 1, No. 1, ISSN # 2225-0565* , 35-41.

Santoso, S. (2009). *SEM, Konsep dan Aplikasinya pada AMOS.* Jakarta, Indonesia: PT Elex Media Komputindo.

Sasongko, I. A., & Anantadjaya, S. P. (2014). Strategic Intention & Financial Support on Creative Industry in Micro and Small Businesses in the City of South Tangerang, Indonesia. *proceeding, Interdiscplinary Business & Economic Research Conference, February 2014, paper ID # KL14-045.* Kuala Lumpur, Malaysia: SIBR (ISSN # 2223-5078).

Schumacker, R. E., & Lomax, R. G. (2004). *A Beginner's Guide to Structural Equation Modeling, 2nd Edition.* New Jersey, USA: Lawrence Erlbaum Associates, Inc. Publishers.

Sekaran, U. (2003). *Research Method for Business: A Skill Building Approach.* New York, USA: John Wiley & Sons, Inc.

Shinozake, S. (2012). *Cross Border SME Information to Scale-Up Access to Finance for SMEs.* Daejon, Republic of South Korea: INSME Annual Meeting on "Sustainable Growth with Innovation: Building Competitive SME Networks".

Smit, A. J. (2011). The Influence of District Visual Quality on Location Decisions of Creative Entrepreneurs. *Journal of the American Planning Associations, Vol. 77, No. 2* , 167-184.

Sucipto. (2013, March 26). *Pengembangan UMKM di Kota Tangerang Selatan.* Retrieved May 30, 2013, from Beranda Masyarakat Ilmuan dan Teknologi Indonesia: http://beranda.miti.or.id

Sugiyono. (2001). *Statistika Untuk Penelitian.* Bandung, Indonesia: CV Alfabeta.

Tarigan, M., & Khafid, S. (2012, January 19). *Indonesia Ranked Fifth in World Malnutrition Index.* Retrieved April 30, 2013, from tempo.co: Politik: http://www.tempo.co/read/news/2012/01/19/055378366/

Uddin, M. R., & Bose, T. K. (2013). Factors Affect the Success of SME in Bangladesh: Evidence from Khulna City. *Journal of Management and Sustainability, Vol. 3, No. 3, ISSN # 1925-4733* , 166-172.

US Small Business Administration. (2013). *What is SBA's Definition of a Small Business Concern?* Retrieved June 15, 2013, from sba.gov: http://www.sba.gov/content/what-sbas-definition-small-business-concern

Yamin, S., & Kurniawan, H. (2009). *SPSS Complete: Teknik Analisis Statistik Terlengkap dengan Software SPSS, 1st Edition.* Jakarta, Indonesia: Salemba Infotek.

Yosri. (2013, March 16). *Potensi Kota Tangerang Selatan*. Retrieved June 25, 2013, from Kecamatan Serpong Utara: Ekonomi: http://kecserut.tangerangselatankota.go.id

Zhang, H. M., Wang, J., & Liu, D. (2011). Experiences of Creative Industries Development in Developed Countries and Enlightenments. *Asian Social Science, Vol. VIII, No. 8 (ISSN # 1911-2025 online/1911-2017 printed)* , 237-240.

APPENDICES

Appendix 1: Summary on Focus Group Discussion
Location: Swiss German University, April 25, 2013

Question # 1: What a do you know about the Creative Industries?

- Creative industries started growing and well known today as an example of a brand Dagadu from Yogyakarta have that can remind us of Jogjakarta.
- Perform a new innovation by starting with small industries to make a production like making patchwork or souvenir that represents a region.
- Creative industries are a local knowledge as well as regional development.
- Creative industry is a capital of creativity in business. So as to indulgence the products of the business.
- The creative industries are the creativity of the business owner that may impact on the market demand.

Question # 2: What are the supporting factors that are needed to boost the creative industries growth in Tangerang Selatan?

- Concern
- Idea – people
- Skills/Creativity – people
- Consistent – people
- Opportunities – industry
- Training
- Knowledge – people
- Raw material – industry
- HR – people

Question # 3: How potential is your business geographic location? It is contribute in your business growth?

- Location is very influential for a business.
- Location should be tailored to the business field.
- Location is also affecting business activities in obtaining the raw goods.
- Although the business location is strategic, "work wholeheartedly" is another important factor in doing a business.
- Creativity and ideas from industry practitioner is important in addition to the location.
- Support from the community would help in the development of the business.

Question # 4: Do you think specific strategies are needed to develop the creative business, so that the product is able to compete?

- The existence of a comprehensive strategy.
- It is needed to support the business competitiveness.
- Experience and confidence are very important in developing the business.
- Using focus strategy in order to stay focused on making goods to be sold.
- Prepare strategies to avoid or cope with problems that may be encountered.
- Specific strategies are needed to distinguish my business with other business.
- Specific strategies useful to create new innovations.

- Despite having a special strategy, expertise or skills to apply these strategies is also very important.
- To attempt such services in the field of music, the connections and extensive networking can help or make it easier to market it to the public.

Question # 5: Does the presence of Human Resources (HR) - both in terms of educational background, age, and skill - influential in the development of the creative industries?

- HR is very important and influential to the creative industries.
- Age and pregnancy will greatly affect the performance of the HR. People who are old and pregnant will be slower when working on their job.
- Educational background is very important for the performance of the HR. People who are more educated will be more skilled and creative, an important factor for business owner in the creative industries.
- Have qualifications discussed above will help the creative industries business sales.
- Although HR does not need qualifications that are too high (e.g., Master Degree), but it would be better if so.
- In the music industry, passion is the most important quality.

Question # 6: Is the function of marketing and promotion will be instrumental in supporting the growth and development of the creative industries?

- The function of marketing and promotion is definitely important, but to note is how the promotion and marketing run.
- Target marketing must clearly direct for the business success.
- Companies in any industry that does not use the promotion and marketing like a "no-legged man" or "men who have mouths but not speak".
- Methods of marketing and promotion can be done in a modern traditional or assisted by technology - means a cheap and efficient marketing.
- Promotion of music in abroad is very quickly than in Indonesia.

Question # 7: How far government can help support the growth of the creative industries in Tangerang Selatan?

- As a regulator, support from the government is very important in the development of creative industries in Tangerang Selatan. The persistence of the difficulties that are facing by creative industries in Tangerang Selatan, permissions is the most fundamental issues that rose by the speakers.
- Government who provide facilities and support the legalization process free of grease can be one factor supporting the prime government services.
- It is also necessary cooperation from the association to take advantage of opportunities and facilities that have been provided by the government to the maximum.
- There is still a certain association, for example, service bureaus who forged government legal documents for business licensing due to difficulty to obtain legal permission from the government, service bureaus tend to be business people choice due to a more affordable cost.
- On the other industries (music), the agency associations who contributed greatly to the development of creative industries.

Question # 8: What are the challenges to develop of the creative industries in your location? (Both from the perspective of businesses, financial institutions, and government)

- The availability of fanatics and well-known market, in limited quantities, but it continues to grow.
- The existence of markets that is idealistic, making it difficult to identify the need and market demand.
- Motivation and desire of the industry to develop its industry, the industry needed a proper situation, accompanied by the good administration.
- Creating an environmentally friendly business (both products and in the production process), and difficulties in implementing regeneration (get good information and feedback from novice actors, or consumers).
- Creating a quality product at an affordable price or in accordance with the value of the product.
- There is still a lack of community understanding and industry stakeholders regarding existing institutions to assist the development of SMEs themselves, such as the number of loans from financial institutions and the percentage of mortgage interest that applied.
- Needs of institution or a third party who helps the financial institutions to give understanding to the public and industry players about the functions of financial institutions, on issues related to the bank that will finance SMEs.
- Difficulty in financing (loans to venture capital).

Question # 9: Is there any advice and recommendation for the growth and development of the creative industries in Tangerang Selatan?

- Required a consistent industry, improve product quality, promotion and a good marketing strategy, which is to promote and unite the creative industries in Tangerang Selatan.
- Required government agencies that focus, and be able to handle and manage the development of the creative industries in Tangerang Selatan, so they can work in synergy.
- It takes a community to develop SME businesses with the industry's willingness to bear risk.
- Required a good cooperation on the part of SMEs with consistency, such as taking care of the administration, a clear account entries, and SMEs rely on banks or financial institutions to shore up its financial sector.
- Required an appeal of such association or Chamber of Commerce to provide guidance urged industry players to make companies legally permit, and required the cooperation of the government to facilitate the licensing process to assist the development of creative industries in Tangerang Selatan.
- For the businesses player, also necessary a products that interests consumers. For example, with an attractive design product packaging that can be worth more than the product.
- Required new factors that support the development of SMEs in Tangerang Selatan. For example, with the guidance of the development of creativity and support that enables human resources to create jobs.
- An appreciation for human resources in the field of creative industries.
- Required a physical construction (buildings and facilities, transportation).
- Do not make centralized area as a major factor development of creative industries (region restrictions), such as Tangerang Selatan, Jakarta, etc.
- Tangerang Selatan assessed to have more competence and opportunities to develop the industry as compared to Jakarta that it's been a solid industry

Appendix 2: Screening Questionnaire

1	Industry	☐	Craft		
		☐	Fashion		
		☐	Printing		
2	Location	☐	Serpong	☐	Ciputat Timur
		☐	Serpong Utara	☐	Pondok Aren
		☐	Pamulang	☐	Setu
		☐	Ciputat		
3	Employee Number	☐	1 – 5	☐	21 – 25
		☐	6 – 10	☐	26 - 30
		☐	11 – 15	☐	> 30
		☐	16 – 20		
4	Machinery	☐	1 – 3	☐	> 9
		☐	4 – 6	☐	None
		☐	7 – 9		
5	Capital	☐	1jt – 20jt	☐	41jt – 50jt
		☐	21jt – 30jt	☐	> 60jt
		☐	31jt – 40jt	☐	
6	Annual Sales	☐	10jt – 50jt	☐	151jt – 200jt
		☐	51jt – 100jt	☐	> 200jt
		☐	101jt – 150jt		
7	Number of Outlet	☐	1 – 3	☐	None
		☐	4 – 6		
		☐	> 7		

Appendix 3: Questionnaire

	SD (1)	D (2)	N (3)	A (4)	SA (5)
Government					
I feel current business climate in Tangerang Selatan support my business growth					
I know/had an appreciation/awards from local governments on the development of my business					
I have been (know) training that organized by local government to develop my business					
I have get (know)/received a gift in the form of money/goods from the local government to motivate my business					
Intellectuals					
Education curriculum in Tangerang Selatan supporting the entrepreneurial spirit and build creativity					
I feel the freedom of opinion and express a thought helped me in building my business					
I feel a multi-disciplinary research may help the development of my business					
I feel/sure by joining training in training institutions can contributed greatly to my business development					
Business					
I believe training for entrepreneurship and business management will greatly influence the development of my business					
I believe the financing scheme in Tangerang Selatan can support the development of my business					
I believe the appropriate marketing strategy will help me to develop my business					
I know/feel there is a creative community in Tangerang Selatan that support my business development					
People					
I know there are an expert and trained human resources in Tangerang Selatan to support my business development					
I know there are human resources that have entrepreneurial spirit in Tangerang Selatan					
Industry					
The domestic market for my product/work is potential for my business development					
The international market for my product/work is potential for my business development					
The existence of facilities/space for my product/work in Tangerang Selatan support my business development					
Raw materials for my business products can be obtained easily in Tangerang Selatan					

	SD (1)	D (2)	N (3)	A (4)	SA (5)
Technology					
I can get Information and communication technology in Tangerang Selatan to support the development of my business					
The existence of production technology in Tangerang Selatan that supports the development of my business					
Resources					
The presence of natural ingredients which are only contained in Tangerang Selatan which supports the development of my business					
There are a lot of natural raw materials in Tangerang Selatan that can support the development of my business					
Institution					
With the IPR in Tangerang Selatan, I can develop my business					
I follow/know the industry associations that can help the development of my business					
Financial Intermediary					
I need a financing assistance to grow my business					
The existence of financial schemes for MSMEs support my business development					
The Foundation of Creative Industry					
I know the existence of the creative industries in Tangerang Selatan					
Industries in Tangerang Selatan scattered in several places					
Sustainable Growth of Creative Industry					
I believe Creative Industry in Tangerang Selatan will continue to evolve					
I believe Creative Industry in Tangerang Selatan will be able to support the economic development of the community					

Appendix 4: AMOS Outputs

Your model contains the following variables (Group number 1)
Observed, endogenous variables: INS, RES, TECH, PEO, IND, INTEL, GOV, BUS
Unobserved, endogenous variables: FI, SUS
Unobserved, exogenous variables: eIS, eR, eT, eP, eIN, eI, eG, eB, eFI, eSUS

Variable counts (Group number 1)

Number of variables in your model:	20
Number of observed variables:	8
Number of unobserved variables:	12
Number of exogenous variables:	10
Number of endogenous variables:	10

Parameter summary (Group number 1)

	Weights	Covariances	Variances	Means	Intercepts	Total
Fixed	9	0	0	0	0	9
Labeled	0	0	0	0	0	0
Unlabeled	10	0	10	0	8	28
Total	19	0	10	0	8	37

Assessment of normality (Group number 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
BUS	2.000	5.000	-.946	-3.343	.249	.440
GOV	1.500	5.000	-.973	-3.441	.254	.450
INTEL	1.750	5.000	-.940	-3.324	.006	.011
IND	2.000	5.000	-.883	-3.121	.222	.392
PEO	2.000	5.000	-.556	-1.967	-.220	-.390
TECH	1.000	5.000	-.244	-.863	-.870	-1.539
RES	2.000	5.000	-1.127	-3.984	.893	1.579
INS	2.667	5.000	-1.066	-3.768	.276	.487
Multivariate					13.203	4.520

Observations farthest from the centroid (Mahalanobis distance) (Group number 1)

Observation number	Mahalanobis d-squared	p1	p2
2	23.685	.003	.177
22	23.078	.003	.025
49	21.993	.005	.006
69	21.209	.007	.002
27	19.307	.013	.003
28	17.868	.022	.007
41	14.994	.059	.156
46	14.320	.074	.188
59	14.082	.080	.141

Observation number	Mahalanobis d-squared	p1	p2
29	13.604	.093	.154
35	13.065	.110	.196
6	12.724	.122	.197
71	12.163	.144	.280
62	12.048	.149	.221
55	11.993	.151	.156
19	11.988	.152	.096
58	11.769	.162	.089
74	10.620	.224	.415
67	10.503	.232	.369
23	10.250	.248	.396
36	10.025	.263	.414
5	9.822	.278	.424
72	9.764	.282	.358
13	9.660	.290	.321
43	8.854	.355	.691
47	8.743	.364	.667
9	8.711	.367	.595
31	8.400	.395	.692
53	8.226	.412	.710
66	7.850	.448	.830
60	7.727	.461	.825
24	7.597	.474	.824
4	7.482	.486	.818
7	7.302	.504	.841
38	7.295	.505	.783
32	7.066	.529	.835
63	7.066	.529	.771
48	7.017	.535	.728
73	6.849	.553	.756
14	6.217	.623	.956
68	5.691	.682	.995
1	5.602	.692	.994
15	5.575	.695	.991
40	5.490	.704	.989
21	5.417	.712	.987
25	5.402	.714	.978
44	5.402	.714	.961
17	5.396	.715	.938
18	5.262	.729	.943
20	5.068	.750	.961

Observation number	Mahalanobis d-squared	p1	p2
52	4.980	.760	.957
39	4.162	.842	1.000
51	4.162	.842	.999
11	4.075	.850	.999
30	4.057	.852	.998
61	4.057	.852	.995
33	4.022	.855	.991
64	4.022	.855	.981
45	3.952	.861	.974
57	3.849	.870	.971
16	3.820	.873	.951
26	3.800	.875	.919
56	3.779	.877	.870
50	3.299	.914	.974
54	3.272	.916	.952
10	2.973	.936	.979
75	2.706	.951	.990
65	2.706	.951	.971
34	2.706	.951	.928
8	2.706	.951	.843
42	2.405	.966	.888
70	2.205	.974	.869
12	1.859	.985	.897
37	1.745	.988	.768
3	1.434	.994	.625

Sample Covariances (Group number 1)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.485							
GOV	.414	.711						
INTEL	.440	.471	.706					
IND	.398	.415	.421	.589				
PEO	.384	.395	.433	.458	.587			
TECH	.312	.482	.437	.446	.233	1.409		
RES	.410	.485	.440	.468	.417	.474	.548	
INS	.324	.366	.396	.427	.397	.406	.393	.400

Condition number = 88.726
Eigenvalues = 3.604 .942 .293 .243 .135 .099 .078 .041
Determinant of sample covariance matrix = .000

Sample Correlations (Group number 1)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	1.000							
GOV	.705	1.000						
INTEL	.752	.665	1.000					
IND	.746	.641	.653	1.000				
PEO	.721	.612	.674	.780	1.000			
TECH	.378	.482	.439	.490	.257	1.000		
RES	.795	.778	.708	.823	.735	.539	1.000	
INS	.737	.687	.746	.880	.819	.541	.839	1.000

Condition number = 63.359
Eigenvalues = 5.733 .805 .465 .350 .253 .166 .137 .090

Sample Means (Group number 1)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
4.047	3.983	3.817	4.140	4.000	3.240	4.220	4.169

Notes for Model (Default model)
Computation of degrees of freedom (Default model)

Number of distinct sample moments:	44
Number of distinct parameters to be estimated:	28
Degrees of freedom (44 - 28):	16

Result (Default model)
Minimum was achieved
Chi-square = 50.974
Degrees of freedom = 16
Probability level = 0.000

The model is recursive
Sample size = 78

Estimates (Group number 1 - Default model)
Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates
Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
FI	<---	eFI	1.360	par_9			
SUS	<---	FI	.430	par_8			
SUS	<---	eSUS	.309	par_10			
INS	<---	FI	.396	par_1			
RES	<---	FI	.442	par_2			
TECH	<---	FI	.421	par_3			
PEO	<---	FI	.427	par_4			

			Estimate	S.E.	C.R.	P	Label
IND	<---	FI	.465	par_5			
INTEL	<---	SUS	1.000				
GOV	<---	SUS	.960	.117	8.181	***	par_6
BUS	<---	SUS	.875	.091	9.600	***	par_7

Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
FI	<---	eFI	1.000
SUS	<---	FI	.923
SUS	<---	eSUS	.385
INS	<---	FI	.948
RES	<---	FI	.903
TECH	<---	FI	.536
PEO	<---	FI	.844
IND	<---	FI	.916
INTEL	<---	SUS	.839
GOV	<---	SUS	.802
BUS	<---	SUS	.886

Intercepts: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
INS	4.169	.073	56.730	***	par_11
RES	4.220	.086	49.027	***	par_12
TECH	3.240	.138	23.480	***	par_13
PEO	4.000	.089	44.924	***	par_14
IND	4.140	.089	46.415	***	par_15
INTEL	3.817	.098	39.087	***	par_16
GOV	3.983	.098	40.650	***	par_17
BUS	4.047	.081	49.993	***	par_18

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
eFI	1.238	par_19			
eSUS	.772	par_20			
eIS	.040	.011	3.635	***	par_21
eR	.101	.021	4.726	***	par_22
eT	1.004	.168	5.973	***	par_23
eP	.169	.031	5.436	***	par_24
eIN	.095	.020	4.723	***	par_25
eI	.209	.043	4.811	***	par_26
eG	.253	.049	5.143	***	par_27

	Estimate	S.E.	C.R.	P	Label
eB	.105	.026	4.094	***	par_28

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
FI	.000
SUS	.852
BUS	.784
GOV	.644
INTEL	.703
IND	.839
PEO	.713
TECH	.287
RES	.815
INS	.899

Matrices (Group number 1 - Default model)

Implied (for all variables) Covariances (Group number 1 - Default model)

	eFI	eSUS	FI	SUS	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
eFI	1.238											
eSUS	.000	.772										
FI	1.683	.000	2.288									
SUS	.723	.238	.983	.496								
BUS	.633	.209	.861	.434	.485							
GOV	.694	.229	.944	.476	.417	.711						
INTEL	.723	.238	.983	.496	.434	.476	.706					
IND	.782	.000	1.063	.457	.400	.439	.457	.589				
PEO	.719	.000	.978	.420	.368	.404	.420	.454	.587			
TECH	.708	.000	.963	.414	.362	.397	.414	.447	.411	1.409		
RES	.744	.000	1.011	.435	.380	.417	.435	.470	.432	.425	.548	
INS	.667	.000	.906	.390	.341	.374	.390	.421	.387	.381	.401	.400

Implied (for all variables) Correlations (Group number 1 - Default model)

	eFI	eSUS	FI	SUS	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
eFI	1.000											
eSUS	.000	1.000										
FI	1.000	.000	1.000									
SUS	.923	.385	.923	1.000								
BUS	.817	.341	.817	.886	1.000							
GOV	.741	.309	.741	.802	.711	1.000						
INTEL	.774	.323	.774	.839	.743	.673	1.000					
IND	.916	.000	.916	.845	.749	.678	.709	1.000				
PEO	.844	.000	.844	.779	.690	.625	.653	.773	1.000			
TECH	.536	.000	.536	.495	.438	.397	.415	.491	.453	1.000		
RES	.903	.000	.903	.833	.738	.668	.699	.827	.762	.484	1.000	
INS	.948	.000	.948	.875	.775	.702	.734	.868	.800	.508	.856	1.000

Implied (for all variables) Means (Group number 1 - Default model)

eFI	eSUS	FI	SUS	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
.000	.000	.000	.000	4.047	3.983	3.817	4.140	4.000	3.240	4.220	4.169

Implied Covariances (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.485							
GOV	.417	.711						
INTEL	.434	.476	.706					
IND	.400	.439	.457	.589				
PEO	.368	.404	.420	.454	.587			
TECH	.362	.397	.414	.447	.411	1.409		
RES	.380	.417	.435	.470	.432	.425	.548	
INS	.341	.374	.390	.421	.387	.381	.401	.400

Implied Correlations (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	1.000							
GOV	.711	1.000						
INTEL	.743	.673	1.000					
IND	.749	.678	.709	1.000				
PEO	.690	.625	.653	.773	1.000			
TECH	.438	.397	.415	.491	.453	1.000		
RES	.738	.668	.699	.827	.762	.484	1.000	
INS	.775	.702	.734	.868	.800	.508	.856	1.000

Implied Means (Group number 1 - Default model)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
4.047	3.983	3.817	4.140	4.000	3.240	4.220	4.169

Residual Covariances (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.000							
GOV	-.004	.000						
INTEL	.005	-.005	.000					
IND	-.002	-.024	-.036	.000				
PEO	.016	-.009	.013	.004	.000			
TECH	-.050	.085	.024	-.001	-.178	.000		
RES	.029	.068	.006	-.002	-.016	.048	.000	
INS	-.017	-.008	.006	.006	.009	.025	-.008	.000

Residual Means (Group number 1 - Default model)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
.000	.000	.000	.000	.000	.000	.000	.000

Standardized Residual Covariances (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.000							
GOV	-.042	.000						
INTEL	.061	-.054	.000					
IND	-.021	-.263	-.396	.000				
PEO	.218	-.097	.145	.045	.000			
TECH	-.478	.680	.187	-.008	-1.536	.000		
RES	.393	.780	.065	-.026	-.187	.427	.000	
INS	-.259	-.105	.082	.076	.127	.253	-.108	.000

Standardized Residual Means (Group number 1 - Default model)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
.000	.000	.000	.000	.000	.000	.000	.000

Factor Score Weights (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
FI	.150	.068	.086	.441	.228	.038	.391	.879
SUS	.315	.143	.180	.088	.045	.008	.078	.175

Total Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.430	.000
BUS	.376	.875
GOV	.413	.960
INTEL	.430	1.000
IND	.465	.000
PEO	.427	.000
TECH	.421	.000
RES	.442	.000
INS	.396	.000

Standardized Total Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.923	.000
BUS	.817	.886

	FI	SUS
GOV	.741	.802
INTEL	.774	.839
IND	.916	.000
PEO	.844	.000
TECH	.536	.000
RES	.903	.000
INS	.948	.000

Direct Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.430	.000
BUS	.000	.875
GOV	.000	.960
INTEL	.000	1.000
IND	.465	.000
PEO	.427	.000
TECH	.421	.000
RES	.442	.000
INS	.396	.000

Standardized Direct Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.923	.000
BUS	.000	.886
GOV	.000	.802
INTEL	.000	.839
IND	.916	.000
PEO	.844	.000
TECH	.536	.000
RES	.903	.000
INS	.948	.000

Indirect Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.000	.000
BUS	.376	.000
GOV	.413	.000
INTEL	.430	.000

	FI	SUS
IND	.000	.000
PEO	.000	.000
TECH	.000	.000
RES	.000	.000
INS	.000	.000

Standardized Indirect Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.000	.000
BUS	.817	.000
GOV	.741	.000
INTEL	.774	.000
IND	.000	.000
PEO	.000	.000
TECH	.000	.000
RES	.000	.000
INS	.000	.000

Modification Indices (Group number 1 - Default model)
Covariances: (Group number 1 - Default model)

			M.I.	Par Change
eT	<-->	eP	15.591	-.200
eR	<-->	eSUS	8.077	.146
eR	<-->	eG	8.733	.065
eIS	<-->	eB	5.073	-.025

Regression Weights: (Group number 1 - Default model)

			M.I.	Par Change
RES	<---	eSUS	8.077	.189

Minimization History (Default model)

Iteration	Negative eigenvalues	Condition #	Smallest eigenvalue	Diameter	F	NTries	Ratio
0	2		-.392	9999.000	395.324	0	9999.000
1	5		-1.281	1.300	358.439	25	.663
2	10		-.309	1.484	179.924	7	.646
3	6		-.755	1.270	-36.027	5	.976
4	1		-.094	.365	-104.460	5	.948
5	1		-.025	.213	-125.291	5	.777
6	2		-.001	.222	-133.246	7	.865
7	0	1413214.485		.107	-134.469	7	1.079
8	0	23094700.251		.052	-134.506	1	1.021
9	0	3677086994.192		.001	-134.506	1	1.001
10	0	2568072227497240.00		.000	-134.506	1	.951

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	**P**	**CMIN/DF**
Default model	28	50.974	16	**.000**	**3.186**
Saturated model	44	.000	0		
Independence model	8	588.525	36	**.000**	**16.348**

Baseline Comparisons

Model	**NFI Delta1**	RFI rho1	IFI Delta2	**TLI rho2**	**CFI**
Default model	**.913**	.805	.939	**.858**	**.937**
Saturated model	**1.000**		1.000		**1.000**
Independence model	**.000**	.000	.000	**.000**	**.000**

Parsimony-Adjusted Measures

Model	PRATIO	**PNFI**	PCFI
Default model	.444	**.406**	.416
Saturated model	.000	**.000**	.000
Independence model	1.000	**.000**	.000

NCP

Model	**NCP**	LO 90	HI 90
Default model	**34.974**	17.100	60.456
Saturated model	**.000**	.000	.000
Independence model	**552.525**	477.624	634.857

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.662	.454	.222	.785
Saturated model	.000	.000	.000	.000
Independence model	7.643	7.176	6.203	8.245

RMSEA

Model	**RMSEA**	LO 90	HI 90	PCLOSE
Default model	**.168**	.118	.222	.000
Independence model	**.446**	.415	.479	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	106.974	114.385		
Saturated model	88.000	99.647		
Independence model	604.525	606.642		

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.389	1.157	1.720	1.486
Saturated model	1.143	1.143	1.143	1.294
Independence model	7.851	6.878	8.920	7.878

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	40	49
Independence model	7	8

Execution time summary

Minimization: 4.062
Miscellaneous: 1.806
Bootstrap: .000
Total: 5.868

Appendix 5: AMOS Output (Revised)

Variable Summary (Group number 1)

Your model contains the following variables (Group number 1)
Observed, endogenous variables: INS, RES, TECH, PEO, IND, INTEL, GOV, BUS
Unobserved, endogenous variables: FI, SUS
Unobserved, exogenous variables: eIS, eR, eT, eP, eIN, eI, eG, eB, eFI, eSUS

Variable counts (Group number 1)

Number of variables in your model:	20
Number of observed variables:	8
Number of unobserved variables:	12
Number of exogenous variables:	10
Number of endogenous variables:	10

Parameter summary (Group number 1)

	Weights	Covariances	Variances	Means	Intercepts	Total
Fixed	9	0	0	0	0	9
Labeled	0	0	0	0	0	0
Unlabeled	10	1	10	0	8	29
Total	19	1	10	0	8	38

Assessment of normality (Group number 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
BUS	2.000	5.000	-.946	-3.343	.249	.440
GOV	1.500	5.000	-.973	-3.441	.254	.450
INTEL	1.750	5.000	-.940	-3.324	.006	.011
IND	2.000	5.000	-.883	-3.121	.222	.392
PEO	2.000	5.000	-.556	-1.967	-.220	-.390
TECH	1.000	5.000	-.244	-.863	-.870	-1.539
RES	2.000	5.000	-1.127	-3.984	.893	1.579
INS	2.667	5.000	-1.066	-3.768	.276	.487
Multivariate					13.203	4.520

Observations farthest from the centroid (Mahalanobis distance) (Group number 1)

Observation number	Mahalanobis d-squared	p1	p2
2	23.685	.003	.177
22	23.078	.003	.025
49	21.993	.005	.006
69	21.209	.007	.002
27	19.307	.013	.003
28	17.868	.022	.007
41	14.994	.059	.156

Observation number	Mahalanobis d-squared	p1	p2
46	14.320	.074	.188
59	14.082	.080	.141
29	13.604	.093	.154
35	13.065	.110	.196
6	12.724	.122	.197
71	12.163	.144	.280
62	12.048	.149	.221
55	11.993	.151	.156
19	11.988	.152	.096
58	11.769	.162	.089
74	10.620	.224	.415
67	10.503	.232	.369
23	10.250	.248	.396
36	10.025	.263	.414
5	9.822	.278	.424
72	9.764	.282	.358
13	9.660	.290	.321
43	8.854	.355	.691
47	8.743	.364	.667
9	8.711	.367	.595
31	8.400	.395	.692
53	8.226	.412	.710
66	7.850	.448	.830
60	7.727	.461	.825
24	7.597	.474	.824
4	7.482	.486	.818
7	7.302	.504	.841
38	7.295	.505	.783
32	7.066	.529	.835
63	7.066	.529	.771
48	7.017	.535	.728
73	6.849	.553	.756
14	6.217	.623	.956
68	5.691	.682	.995
1	5.602	.692	.994
15	5.575	.695	.991
40	5.490	.704	.989
21	5.417	.712	.987
25	5.402	.714	.978
44	5.402	.714	.961
17	5.396	.715	.938

Observation number	Mahalanobis d-squared	p1	p2
18	5.262	.729	.943
20	5.068	.750	.961
52	4.980	.760	.957
39	4.162	.842	1.000
51	4.162	.842	.999
11	4.075	.850	.999
30	4.057	.852	.998
61	4.057	.852	.995
33	4.022	.855	.991
64	4.022	.855	.981
45	3.952	.861	.974
57	3.849	.870	.971
16	3.820	.873	.951
26	3.800	.875	.919
56	3.779	.877	.870
50	3.299	.914	.974
54	3.272	.916	.952
10	2.973	.936	.979
75	2.706	.951	.990
65	2.706	.951	.971
34	2.706	.951	.928
8	2.706	.951	.843
42	2.405	.966	.888
70	2.205	.974	.869
12	1.859	.985	.897
37	1.745	.988	.768
3	1.434	.994	.625

Sample Moments (Group number 1)
Sample Covariances (Group number 1)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.485							
GOV	.414	.711						
INTEL	.440	.471	.706					
IND	.398	.415	.421	.589				
PEO	.384	.395	.433	.458	.587			
TECH	.312	.482	.437	.446	.233	1.409		
RES	.410	.485	.440	.468	.417	.474	.548	
INS	.324	.366	.396	.427	.397	.406	.393	.400

Condition number = 88.726
Eigenvalues = 3.604 .942 .293 .243 .135 .099 .078 .041

Determinant of sample covariance matrix = .000

Sample Correlations (Group number 1)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	1.000							
GOV	.705	1.000						
INTEL	.752	.665	1.000					
IND	.746	.641	.653	1.000				
PEO	.721	.612	.674	.780	1.000			
TECH	.378	.482	.439	.490	.257	1.000		
RES	.795	.778	.708	.823	.735	.539	1.000	
INS	.737	.687	.746	.880	.819	.541	.839	1.000

Condition number = 63.359
Eigenvalues = 5.733 .805 .465 .350 .253 .166 .137 .090

Sample Means (Group number 1)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
4.047	3.983	3.817	4.140	4.000	3.240	4.220	4.169

Notes for Model (Default model)
Computation of degrees of freedom (Default model)

Number of distinct sample moments:	44
Number of distinct parameters to be estimated:	29
Degrees of freedom (44 - 29):	15

Result (Default model)
Minimum was achieved
The model is probably unidentified. In order to achieve identifiability, it will probably be necessary to impose 1 additional constraint.
Chi-square = 32.037
Degrees of freedom (corrected for nonidentifiability) = 16
Probability level = .010

Estimates (Group number 1 - Default model)
Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates
Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
FI	<---	eFI	1.486	602.566	.002	.998	par_9
SUS	<---	FI	.367	148.903	.002	.998	par_8
SUS	<---	eSUS	.327	85.692	.004	.997	par_10
INS	<---	FI	.339	137.411	.002	.998	par_1
RES	<---	FI	.376	152.458	.002	.998	par_2
TECH	<---	FI	.378	153.150	.002	.998	par_3

			Estimate	S.E.	C.R.	P	Label
PEO	<---	FI	.368	149.358	.002	.998	par_4
IND	<---	FI	.395	160.172	.002	.998	par_5
INTEL	<---	SUS	1.000				
GOV	<---	SUS	.959	.117	8.227	***	par_6
BUS	<---	SUS	.870	.091	9.601	***	par_7

Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
FI	<---	eFI	1.000
SUS	<---	FI	.921
SUS	<---	eSUS	.389
INS	<---	FI	.950
RES	<---	FI	.900
TECH	<---	FI	.564
PEO	<---	FI	.852
IND	<---	FI	.912
INTEL	<---	SUS	.841
GOV	<---	SUS	.804
BUS	<---	SUS	.883

Intercepts: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
INS			4.169	.073	56.730	***	par_12
RES			4.220	.086	49.027	***	par_13
TECH			3.240	.138	23.480	***	par_14
PEO			4.000	.089	44.924	***	par_15
IND			4.140	.089	46.415	***	par_16
INTEL			3.817	.098	39.087	***	par_17
GOV			3.983	.098	40.650	***	par_18
BUS			4.047	.081	49.993	***	par_19

Covariances: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
eT	<-->	eP	-.204	.053	-3.810	***	par_11

Correlations: (Group number 1 - Default model)

	Estimate
eT <--> eP	-.518

Variances: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
eFI			1.421	941.019	.002	.999	par_20

			Estimate	S.E.	C.R.	P	Label
eSUS			.705	369.624	.002	.998	par_21
eIS			.039	.010	3.874	***	par_22
eR			.104	.021	4.960	***	par_23
eT			.961	.161	5.951	***	par_24
eP			.161	.030	5.393	***	par_25
eIN			.099	.020	4.929	***	par_26
eI			.207	.043	4.794	***	par_27
eG			.252	.049	5.135	***	par_28
eB			.107	.026	4.154	***	par_29

Squared Multiple Correlations: (Group number 1 - Default model)

			Estimate
FI			.000
SUS			.849
BUS			.779
GOV			.646
INTEL			.707
IND			.832
PEO			.726
TECH			.318
RES			.810
INS			.902

Matrices (Group number 1 - Default model)

Implied (for all variables) Covariances (Group number 1 - Default model)

	eFI	eSUS	FI	SUS	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
eFI	1.421											
eSUS	.000	.705										
FI	2.112	.000	3.140									
SUS	.776	.231	1.153	.499								
BUS	.675	.201	1.003	.434	.485							
GOV	.744	.221	1.106	.478	.416	.711						
INTEL	.776	.231	1.153	.499	.434	.478	.706					
IND	.835	.000	1.240	.456	.396	.437	.456	.589				
PEO	.778	.000	1.157	.425	.370	.407	.425	.457	.587			
TECH	.798	.000	1.186	.436	.379	.418	.436	.469	.233	1.409		
RES	.794	.000	1.181	.434	.377	.416	.434	.466	.435	.446	.548	
INS	.716	.000	1.064	.391	.340	.375	.391	.420	.392	.402	.400	.400

Implied (for all variables) Correlations (Group number 1 - Default model)

	eFI	eSUS	FI	SUS	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
eFI	1.000											
eSUS	.000	1.000										
FI	1.000	.000	1.000									
SUS	.921	.389	.921	1.000								
BUS	.813	.343	.813	.883	1.000							

	eFI	eSUS	FI	SUS	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
GOV	.740	.312	.740	.804	.709	1.000						
INTEL	.775	.327	.775	.841	.742	.676	1.000					
IND	.912	.000	.912	.841	.742	.675	.707	1.000				
PEO	.852	.000	.852	.785	.693	.631	.660	.777	1.000			
TECH	.564	.000	.564	.519	.458	.417	.437	.514	.257	1.000		
RES	.900	.000	.900	.829	.732	.666	.697	.821	.767	.507	1.000	
INS	.950	.000	.950	.875	.772	.703	.736	.867	.810	.536	.855	1.000

Implied (for all variables) Means (Group number 1 - Default model)

eFI	eSUS	FI	SUS	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
.000	.000	.000	.000	4.047	3.983	3.817	4.140	4.000	3.240	4.220	4.169

Implied Covariances (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.485							
GOV	.416	.711						
INTEL	.434	.478	.706					
IND	.396	.437	.456	.589				
PEO	.370	.407	.425	.457	.587			
TECH	.379	.418	.436	.469	.233	1.409		
RES	.377	.416	.434	.466	.435	.446	.548	
INS	.340	.375	.391	.420	.392	.402	.400	.400

Implied Correlations (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	1.000							
GOV	.709	1.000						
INTEL	.742	.676	1.000					
IND	.742	.675	.707	1.000				
PEO	.693	.631	.660	.777	1.000			
TECH	.458	.417	.437	.514	.257	1.000		
RES	.732	.666	.697	.821	.767	.507	1.000	
INS	.772	.703	.736	.867	.810	.536	.855	1.000

Implied Means (Group number 1 - Default model)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
4.047	3.983	3.817	4.140	4.000	3.240	4.220	4.169

Residual Covariances (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.000							
GOV	-.003	.000						
INTEL	.006	-.007	.000					
IND	.002	-.022	-.035	.000				

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
PEO	.015	-.012	.009	.001	.000			
TECH	-.067	.065	.002	-.022	.000	.000		
RES	.032	.069	.007	.001	-.018	.028	.000	
INS	-.016	-.009	.005	.007	.005	.004	-.007	.000

Residual Means (Group number 1 - Default model)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
.000	.000	.000	.000	.000	.000	.000	.000

Standardized Residual Covariances (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
BUS	.000							
GOV	-.033	.000						
INTEL	.066	-.074	.000					
IND	.028	-.243	-.380	.000				
PEO	.197	-.140	.096	.016	.000			
TECH	-.632	.512	.014	-.186	.000	.000		
RES	.438	.797	.077	.013	-.220	.244	.000	
INS	-.242	-.114	.067	.088	.065	.042	-.102	.000

Standardized Residual Means (Group number 1 - Default model)

BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
.000	.000	.000	.000	.000	.000	.000	.000

Factor Score Weights (Group number 1 - Default model)

	BUS	GOV	INTEL	IND	PEO	TECH	RES	INS
FI	.152	.071	.091	.443	.423	.133	.399	.963
SUS	.307	.144	.183	.075	.071	.022	.067	.163

Total Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.367	.000
BUS	.320	.870
GOV	.352	.959
INTEL	.367	1.000
IND	.395	.000
PEO	.368	.000
TECH	.378	.000
RES	.376	.000
INS	.339	.000

Standardized Total Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.921	.000
BUS	.813	.883
GOV	.740	.804
INTEL	.775	.841
IND	.912	.000
PEO	.852	.000
TECH	.564	.000
RES	.900	.000
INS	.950	.000

Direct Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.367	.000
BUS	.000	.870
GOV	.000	.959
INTEL	.000	1.000
IND	.395	.000
PEO	.368	.000
TECH	.378	.000
RES	.376	.000
INS	.339	.000

Standardized Direct Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.921	.000
BUS	.000	.883
GOV	.000	.804
INTEL	.000	.841
IND	.912	.000
PEO	.852	.000
TECH	.564	.000
RES	.900	.000
INS	.950	.000

Indirect Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.000	.000

	FI	SUS
BUS	.320	.000
GOV	.352	.000
INTEL	.367	.000
IND	.000	.000
PEO	.000	.000
TECH	.000	.000
RES	.000	.000
INS	.000	.000

Standardized Indirect Effects (Group number 1 - Default model)

	FI	SUS
FI	.000	.000
SUS	.000	.000
BUS	.813	.000
GOV	.740	.000
INTEL	.775	.000
IND	.000	.000
PEO	.000	.000
TECH	.000	.000
RES	.000	.000
INS	.000	.000

Modification Indices (Group number 1 - Default model)

Covariances: (Group number 1 - Default model)

			M.I.	Par Change
eR	<-->	eSUS	8.528	.142
eR	<-->	eG	8.243	.063

Regression Weights: (Group number 1 - Default model)

			M.I.	Par Change
RES	<---	eSUS	8.528	.202

Minimization History (Default model)

Iteration		Negative eigenvalues	Condition #	Smallest eigenvalue	Diameter	F	NTries	Ratio
0	e	2		-.392	9999.000	395.324	0	9999.000
1	e	6		-1.119	1.308	354.727	25	.677
2	e	7		-.309	1.253	184.580	7	.931
3	e	5		-.783	1.307	-38.110	6	.962
4	e*	0	31997.916		.594	-122.324	5	.664
5	e	0	66762.386		.454	-138.998	1	.682
6	e	0	10752.681		.480	-143.903	3	.000
7	e	0	86174.218		.099	-152.271	1	1.159
8	e	0	2984550.472		.025	-153.154	1	1.105

Iteration		Negative eigenvalues	Condition #	Smallest eigenvalue	Diameter	F	NTries	Ratio
9	e	0	80485436.920		.007	-153.184	1	1.029
10	e	0	25239043389.448		.000	-153.184	1	1.002

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	**P**	**CMIN/DF**
Default model	29	32.037	16	**.010**	**2.002**
Saturated model	44	.000	0		
Independence model	8	588.525	36	**.000**	**16.348**

Baseline Comparisons

Model	**NFI Delta1**	RFI rho1	IFI Delta2	**TLI rho2**	**CFI**
Default model	**.946**	.878	.972	**.935**	**.971**
Saturated model	**1.000**		1.000		**1.000**
Independence model	**.000**	.000	.000	**.000**	**.000**

Parsimony-Adjusted Measures

Model	PRATIO	**PNFI**	PCFI
Default model	.444	**.420**	.432
Saturated model	.000	**.000**	.000
Independence model	1.000	**.000**	.000

NCP

Model	**NCP**	LO 90	HI 90
Default model	**16.037**	3.649	36.186
Saturated model	**.000**	.000	.000
Independence model	**552.525**	477.624	634.857

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.416	.208	.047	.470
Saturated model	.000	.000	.000	.000
Independence model	7.643	7.176	6.203	8.245

RMSEA

Model	**RMSEA**	LO 90	HI 90	PCLOSE
Default model	**.114**	.054	.171	.041
Independence model	**.446**	.415	.479	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	90.037	97.714		

Model	AIC	BCC	BIC	CAIC
Saturated model	88.000	99.647		
Independence model	604.525	606.642		

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.169	1.008	1.431	1.269
Saturated model	1.143	1.143	1.143	1.294
Independence model	7.851	6.878	8.920	7.878

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	64	77
Independence model	7	8

Execution time summary

Minimization: 4.468
Miscellaneous: 2.201
Bootstrap: .000
Total: 6.669

Appendix 6: Person Correlation Coefficient Table (r)

N	α = 0.05	α=0.01
4	0.950	0.999
5	0.878	0.959
6	0.811	0.917
7	0.754	0.875
8	0.707	0.834
9	0.666	0.798
10	0.632	0.765
11	0.602	0.735
12	0.576	0.708
13	0.553	0.684
14	0.532	0.661
15	0.514	0.641
16	0.497	0.623
17	0.482	0.606
18	0.468	0.590
19	0.456	0.575
20	0.444	0.561
25	0.396	0.505
30	0.361	0.463
35	0.335	0.430
40	0.312	0.402
45	0.294	0.378
50	0.279	0.361
60	0.254	0.330
70	0.236	0.305
80	0.220	0.286
90	0.207	0.269
100	0.196	0.256

Appendix 7: Post test Data

GOV1	GOV2	GOV3	GOV4	INTELLEC1	INTELLEC2	INTELLEC3	INTELLEC4	BUS1	BUS2	BUS3	BUS4	PEOPLE1	PEOPLE2	INDUSTRY1	INDUSTRY2	INDUSTRY3	INDUSTRY4	TECH1	TECH2	RES1	RES2	INST1	INST2	FIN1	FIN2	FOUND1	FOUND2	SUST1	SUST2
5	4	5	5	5	4	4	5	5	3	4	5	5	5	5	5	5	5	4	4	5	5	4	4	5	4	5	5	5	5
2	3	3	3	5	4	5	5	5	5	4	4	5	5	4	5	5	5	1	1	5	5	5	4	5	5	5	4	5	4
4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	5	4	4	4	3	4	4	4	5	4	4	4	5	5	4
5	4	4	5	4	4	4	5	5	5	5	5	3	4	3	4	4	4	4	4	4	5	4	4	4	4	4	4	5	4
2	2	2	3	2	2	2	2	3	3	3	3	4	3	3	4	4	4	2	2	3	3	4	4	3	2	4	3	3	2
4	5	5	5	3	2	3	3	4	3	4	4	4	3	4	5	4	5	5	5	5	5	4	5	4	4	4	5	5	4
4	5	4	5	5	5	4	4	5	3	4	5	5	5	4	4	4	4	3	4	4	5	4	5	5	4	4	4	4	4
4	4	4	4	4	4	4	5	5	4	4	5	4	4	4	4	4	4	4	2	4	4	4	4	4	4	4	4	4	5
2	2	2	3	3	3	3	2	4	3	3	3	3	3	3	2	3	2	2	2	3	2	2	3	3	3	3	3	3	3
5	4	5	5	5	4	3	5	4	4	5	4	5	4	5	5	5	5	3	4	5	5	5	5	5	4	5	5	5	4
4	4	4	4	4	5	4	4	4	4	4	4	4	5	4	4	4	4	2	2	5	4	4	5	4	4	4	5	4	5
4	4	5	4	4	4	4	4	5	4	4	5	4	4	4	4	4	4	4	4	5	4	4	5	4	4	4	5	4	4
4	4	4	4	3	5	3	4	4	3	4	4	4	3	4	2	4	2	4	5	4	4	3	4	3	4	4	4	4	5
4	3	4	3	4	4	4	4	4	4	5	5	4	4	4	3	5	3	3	4	4	4	3	4	3	3	5	4	4	4
4	4	4	4	5	5	5	4	5	4	4	5	4	4	4	4	4	4	3	4	4	4	4	5	5	4	4	5	4	4
5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4
3	3	3	3	3	3	3	3	3	2	3	3	3	3	3	3	3	3	2	2	3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	3	4	4	4	4	4	3	4	3	3	3	4	4	4	5	4	4	4	5	4	4
3	3	4	3	4	3	4	4	5	4	5	5	5	4	5	5	5	5	5	5	4	5	5	5	5	5	4	5	5	4
3	3	3	3	4	3	4	4	4	3	4	4	4	4	5	4	5	4	4	4	4	4	4	5	4	4	4	5	4	4
4	5	5	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	4	3	5	4	4	5	5	5	4	5	5	5
4	5	5	5	2	3	3	2	5	4	5	5	5	5	5	4	5	4	1	1	5	5	5	5	4	3	4	5	4	5
4	4	3	4	4	5	4	4	5	5	4	5	5	5	5	5	5	5	4	3	5	5	5	4	4	4	4	5	5	5
4	4	4	5	4	4	4	4	2	4	5	2	5	4	5	5	5	5	5	4	4	5	5	5	5	5	5	5	5	4
5	5	5	5	5	5	5	5	4	4	5	4	5	5	5	5	5	5	3	4	5	5	5	5	5	4	5	5	5	4
4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	2	4	4	4	5	4	4	4	5	4	4
5	5	4	5	4	4	4	5	5	5	5	5	4	4	5	5	5	5	1	1	4	5	4	4	4	4	4	4	5	4
4	3	3	3	2	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	4	4	3	2	2	2	3	2
4	5	5	5	3	3	3	3	4	3	4	4	5	4	5	5	5	5	5	5	4	5	4	5	4	4	4	5	5	4
4	5	4	5	4	4	4	4	5	3	4	5	4	3	4	4	4	4	3	4	4	5	4	5	5	4	4	4	4	4
2	3	2	3	2	2	2	2	3	3	3	3	4	3	3	4	3	4	2	2	4	3	4	4	4	3	4	3	3	2
4	5	5	5	4	4	4	4	4	3	4	4	4	3	4	5	4	5	5	5	5	5	4	5	4	4	4	5	5	4
4	4	4	5	3	3	3	4	5	3	4	5	4	4	4	4	4	4	3	4	4	5	4	5	5	4	4	4	4	4
4	4	4	4	4	4	4	5	5	4	4	5	4	4	4	4	4	4	4	2	4	4	4	4	4	4	4	4	4	5
3	4	3	4	2	3	2	2	3	3	3	3	3	3	3	2	3	3	2	2	3	2	2	3	3	2	3	3	3	3
1	2	2	2	2	1	2	2	3	2	3	3	3	2	2	3	3	3	2	1	3	3	3	3	3	2	3	3	3	3
4	4	4	4	4	4	4	4	4	3	4	4	4	4	4	3	4	5	3	3	4	4	4	5	4	4	4	5	4	4
4	3	4	3	5	4	5	4	5	4	5	5	5	4	5	5	4	5	2	2	4	5	5	5	5	4	4	5	5	4

GOV1	GOV2	GOV3	GOV4	INTELEC1	INTELEC2	INTELEC3	INTELEC4	BUS1	BUS2	BUS3	BUS4	PEOPLE1	PEOPLE2	INDUSTRY1	INDUSTRY2	INDUSTRY3	INDUSTRY4	TECH1	TECH2	RES1	RES2	INST1	INST2	FIN1	FIN2	FOUND1	FOUND2	SUST1	SUST2
5	4	4	4	4	5	4	4	4	3	4	4	4	4	5	4	4	5	4	4	4	4	4	5	4	4	4	5	4	4
4	4	5	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4	3	5	4	4	5	5	5	5	5	5	5
4	3	4	3	3	4	3	4	5	4	5	5	5	4	5	4	4	5	5	5	5	5	5	5	5	5	4	5	4	5
5	5	5	5	4	5	4	4	5	5	4	5	4	5	5	5	4	5	4	3	5	5	5	4	5	5	4	5	5	5
4	5	4	5	5	4	5	4	2	4	5	2	5	4	5	5	5	5	5	4	4	5	5	5	5	5	5	5	5	4
5	5	5	5	5	5	5	5	4	4	5	4	5	5	5	5	5	5	3	4	5	5	5	5	5	4	5	5	5	4
4	4	4	4	4	4	4	5	5	4	5	5	4	4	4	4	4	4	4	2	4	4	4	4	4	4	4	4	4	5
3	3	3	3	3	3	3	2	4	3	3	3	3	3	3	3	3	3	2	2	4	4	2	3	3	3	3	3	3	3
3	3	2	3	2	3	2	2	3	2	3	3	2	2	3	3	3	3	2	2	3	3	3	3	3	2	3	3	3	3
4	4	4	4	4	4	4	4	4	3	4	4	4	5	4	3	4	3	3	3	4	4	4	5	4	4	4	5	4	4
3	3	4	3	4	5	4	4	5	4	5	5	3	3	5	5	5	5	5	5	4	5	5	5	4	5	4	5	5	4
5	4	4	4	4	3	4	4	4	3	4	4	4	4	5	4	5	4	4	4	4	4	4	5	4	4	4	5	4	4
5	4	4	4	4	5	4	4	4	3	4	4	4	4	5	4	5	4	4	4	4	4	4	5	4	4	4	5	4	4
4	4	5	4	5	4	5	5	5	5	5	5	5	5	5	5	5	5	4	3	5	4	4	5	5	5	5	5	5	5
4	5	5	5	4	4	4	4	5	4	5	5	5	5	5	4	5	4	5	5	5	5	5	5	5	5	4	5	4	5
5	5	5	5	4	5	4	4	4	5	5	5	5	5	5	5	5	5	4	3	5	5	5	4	5	5	4	5	5	5
4	5	4	5	5	5	5	5	2	4	5	2	5	4	5	4	5	4	5	4	5	5	5	5	5	5	5	5	5	4
5	5	5	5	4	4	4	5	4	4	5	4	5	5	5	5	5	5	3	4	5	5	5	5	5	4	5	5	5	4
4	4	4	4	4	3	4	4	4	4	5	4	4	4	4	4	4	5	2	2	4	4	4	5	4	4	4	5	4	4
5	5	4	5	4	4	4	5	5	5	5	5	4	4	5	5	5	5	4	4	4	5	4	4	4	4	4	4	5	4
2	1	1	2	2	1	2	2	2	2	2	1	2	3	2	2	2	2	2	2	2	2	4	4	3	2	2	2	3	2
4	4	5	5	4	4	4	4	4	3	4	4	5	4	4	5	4	5	5	5	5	5	4	5	4	4	4	5	5	4
4	5	4	5	4	4	4	4	5	3	4	5	4	3	4	4	4	4	3	4	4	5	4	5	5	4	4	4	4	4
2	3	2	3	2	2	2	2	3	3	3	3	4	3	4	4	4	4	2	2	4	2	4	4	4	3	4	4	3	2
4	5	5	5	4	4	4	4	4	3	4	4	4	3	4	5	4	5	5	5	5	5	4	5	4	4	4	5	5	4
4	5	4	5	5	5	5	4	5	3	4	5	4	5	4	4	4	4	3	4	4	5	4	5	5	4	4	4	4	4
4	4	4	4	4	4	4	5	5	4	5	4	4	4	4	4	4	4	4	2	4	4	4	4	4	4	4	4	4	5
3	3	3	3	3	3	3	2	4	3	3	3	3	3	2	2	3	3	1	1	3	3	2	3	3	2	3	3	3	3
3	3	3	3	3	3	3	3	3	2	3	3	3	2	3	3	3	3	2	2	4	3	3	3	3	2	3	3	3	3
5	5	5	5	5	4	4	5	5	3	4	5	4	4	4	4	4	4	4	4	5	5	4	4	5	4	5	5	5	5
5	5	5	5	3	3	3	3	5	5	5	4	4	5	4	5	4	5	1	1	5	4	5	4	5	5	5	4	5	4
4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	5	4	5	4	3	4	4	4	5	4	4	4	5	5	4
5	5	4	5	4	4	4	5	4	5	5	5	3	3	3	4	3	4	4	4	4	5	4	4	4	4	4	4	5	4
2	2	2	3	3	3	4	3	3	3	3	3	3	3	3	4	3	4	2	2	4	3	4	4	4	3	4	3	3	2
4	4	5	5	4	4	4	4	4	3	4	4	4	3	4	5	4	5	5	5	5	5	4	5	4	4	4	5	5	4
4	5	4	5	5	5	4	4	4	3	5	5	5	5	4	4	4	4	1	1	4	5	4	5	5	4	4	4	4	4
4	4	4	4	4	4	4	5	4	4	5	5	4	4	4	4	4	4	4	2	4	4	4	4	4	4	4	4	4	5

Appendix 8: F test Critical Value

ndf	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
ddf	**α=0.05**																			
61	3.9985	3.1478	2.7555	2.5226	2.3657	2.2514	2.1639	2.0943	2.0374	1.9899	1.9495	1.9146	1.8842	1.8574	1.8336	1.8122	1.7930	1.7755	1.7596	1.7450
62	3.9959	3.1453	2.7530	2.5201	2.3631	2.2489	2.1613	2.0917	2.0348	1.9872	1.9468	1.9119	1.8815	1.8547	1.8308	1.8095	1.7902	1.7727	1.7568	1.7422
63	3.9934	3.1428	2.7506	2.5176	2.3607	2.2464	2.1588	2.0892	2.0322	1.9847	1.9442	1.9093	1.8789	1.8520	1.8282	1.8068	1.7875	1.7700	1.7540	1.7394
64	3.9909	3.1404	2.7482	2.5153	2.3583	2.2440	2.1564	2.0868	2.0298	1.9822	1.9417	1.9068	1.8763	1.8495	1.8256	1.8042	1.7849	1.7673	1.7514	1.7368
65	3.9885	3.1381	2.7459	2.5130	2.3560	2.2417	2.1541	2.0844	2.0274	1.9798	1.9393	1.9044	1.8739	1.8470	1.8231	1.8017	1.7823	1.7648	1.7488	1.7342
66	3.9862	3.1359	2.7437	2.5108	2.3538	2.2395	2.1518	2.0821	2.0251	1.9775	1.9370	1.9020	1.8715	1.8446	1.8207	1.7992	1.7799	1.7623	1.7463	1.7316
67	3.9841	3.1338	2.7416	2.5087	2.3516	2.2373	2.1497	2.0799	2.0229	1.9752	1.9347	1.8997	1.8692	1.8423	1.8183	1.7968	1.7775	1.7599	1.7439	1.7292
68	3.9819	3.1317	2.7395	2.5066	2.3496	2.2352	2.1475	2.0778	2.0207	1.9730	1.9325	1.8975	1.8670	1.8400	1.8160	1.7945	1.7752	1.7576	1.7415	1.7268
69	3.9798	3.1297	2.7375	2.5046	2.3475	2.2332	2.1455	2.0757	2.0186	1.9709	1.9303	1.8954	1.8648	1.8378	1.8138	1.7923	1.7729	1.7553	1.7393	1.7246
70	3.9778	3.1277	2.7355	2.5027	2.3456	2.2312	2.1435	2.0737	2.0166	1.9689	1.9283	1.8932	1.8627	1.8357	1.8117	1.7902	1.7707	1.7531	1.7371	1.7223
71	3.9758	3.1258	2.7336	2.5007	2.3437	2.2293	2.1415	2.0717	2.0146	1.9669	1.9263	1.8912	1.8606	1.8336	1.8096	1.7881	1.7686	1.7510	1.7349	1.7202
72	3.9739	3.1239	2.7318	2.4989	2.3418	2.2274	2.1397	2.0698	2.0127	1.9649	1.9243	1.8892	1.8586	1.8316	1.8076	1.7860	1.7666	1.7489	1.7328	1.7181
73	3.9721	3.1221	2.7300	2.4971	2.3400	2.2256	2.1378	2.0680	2.0108	1.9631	1.9224	1.8873	1.8567	1.8297	1.8056	1.7840	1.7646	1.7469	1.7308	1.7160
74	3.9703	3.1204	2.7283	2.4954	2.3383	2.2238	2.1361	2.0662	2.0090	1.9612	1.9205	1.8854	1.8548	1.8278	1.8037	1.7821	1.7626	1.7449	1.7288	1.7140
75	3.9685	3.1186	2.7266	2.4937	2.3366	2.2221	2.1343	2.0645	2.0073	1.9595	1.9188	1.8836	1.8530	1.8259	1.8018	1.7802	1.7607	1.7431	1.7269	1.7121
76	3.9668	3.1170	2.7249	2.4921	2.3349	2.2204	2.1326	2.0627	2.0055	1.9577	1.9170	1.8819	1.8512	1.8241	1.8000	1.7784	1.7589	1.7412	1.7250	1.7102
77	3.9651	3.1154	2.7233	2.4904	2.3333	2.2188	2.1310	2.0611	2.0039	1.9560	1.9153	1.8801	1.8494	1.8223	1.7982	1.7766	1.7571	1.7394	1.7232	1.7084
78	3.9635	3.1138	2.7218	2.4889	2.3318	2.2172	2.1294	2.0595	2.0022	1.9544	1.9136	1.8785	1.8478	1.8206	1.7965	1.7749	1.7554	1.7376	1.7214	1.7066
79	3.9619	3.1123	2.7203	2.4874	2.3302	2.2157	2.1279	2.0579	2.0006	1.9528	1.9120	1.8769	1.8461	1.8190	1.7948	1.7732	1.7537	1.7359	1.7197	1.7048
80	3.9604	3.1107	2.7188	2.4859	2.3287	2.2142	2.1263	2.0564	1.9991	1.9512	1.9105	1.8753	1.8445	1.8174	1.7932	1.7716	1.7520	1.7342	1.7180	1.7032