ISBS
INSURING SUSTAINABLE BUSINESS STRATEGY
Faculty of Economics and Business
Dian Nuswantoro University

Hosted by

Conference Proceeding

The 1st International Conference and Call for Papers on Insuring Sustainable Business Strategy (ISBS)

Managing Risk for Anticipating the Era of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA)

Semarang, Indonesia, 15th November 2018

ISBN : 979 - 26 - 0284 - 4

Support and Sponsored by

PROCEEDING

THE FIRST INSURING SUSTAINABLE BUSINESS STRATEGY (ISBS) 2018
Managing Risk for Anticipating The Era of Volatility, Uncertainty, Complexity and Ambiguity (VUCA)

Semarang, Indonesia

15 - 16 Nopember 2018

Table of

Contents

Speech from the Dean Faculty of Economics and Business, Dian Nuswantoro University

Prof. Vincent Didiek Wiet Aryanto, Ph.D
Dean Faculty of Economics and Business
Dian Nuswantoro University, Semarang
Indonesia

Foreword

On behalf of the committee of ISBS 2018 (Insuring Sustainable Business Strategy) international conference at Dian Nuswantoro University in Semarang Indonesia, we would like to express our sincere gratitude to all distinguish Rector of Dian Nuswantoro University, AAMAI president, keynote speakers, all participants and presenters, committee for the contribution to succeed the conference. The first international conference of ISBS 2018 is followed by 350 participants from academicians and professionals from Indonesia, Thailand and Taiwan. This conference is in relation with eight reputable international journals from Scopus Q1 to Q3, four national accredited journals and five SINTA (Indonesian Science and Technology Index) journals. We have been notified that some conference articles have been pre-admitted on the journals.

The sustainability issue has a broad landscape and solutions are required in a variety of areas and mechanism to attain and manage it. The domains scope from environmental sustainability over organizational and business sustainability toward social sustainability. Pertaining the tools of sustainability, the scope from traditional engineering and management methodologies toward mechanism such as knowledge, learning, and creativity. The articles in this proceeding book addresses the entire sustainability problems space in a lesser and greater extent. However, though the dynamic properties come from management, technology, learning, individuals, organizations, community and society, everything is at simultaneously getting effect and cause. We put emphasis on business with the purpose to address primarily the companies and their businesses. Therefore, we entitle this international conference as “insuring sustainable business and strategy”.

Finally, we would like to deeply thank to all parties involved in this international conference such as sponsors, media, etc.

Semarang, November 8, 2018.

Prof. Vincent Didiek Wiet Aryanto, Ph.D
Dean Faculty of Economics and Business Dian Nuswantoro University Semarang Indonesia

CONFERENCE PROGRAM

Venue: International Conference and Call for Paper at. Gumaya Tower Hotel, Semarang, Indonesia

Workshop on International Publication at. Building H Floor 1st, Universitas Dian Nuswantoro Semarang, Indonesia

Day 1, 15 November 2018	
Time	**Session**
07.30 -08.30	Registration and Morning Coffee Break (E-Gamelan Performance)
08.30 - 09.00	Welcoming Performance of Traditional dance, National Anthem of Indonesia
09.00 – 09.20	Welcome Greetings and Opening Remark: • **Dr. Nila Tristiarini, CSRA. (Chairman of Organizing Committee)** • **Dr. Hendrisman Rahim, MA, FSAI, AAIJ, AMRP, CPIE, QIP (Chairman of The Indonesian Insurance Institute -AAMAI)** • **Prof. Dr. Ir. Edi Noersasongko (Rector of Universitas Dian Nuswantoro)**
09.20 - 09.40	Keynote Speech: **Ahmad Nasrullah, S.E., MPacc (Director Of Insurance and Social Insurance Administration Organization of Health (BPJS Kesehatan) Supervisory II – Financial Services Authority (OJK))** Token of Appreciation for Keynote Speaker
09.40 – 10.00	Gita Dian Nuswa Choir Performance
10.00 - 12.00	**Conference:** Session 1 (Moderator: Setyo Prasiyanto Cahyono, SS., M.Pd) 1. **Prof. Yahn-Shir Chen, Ph.D (National Yunllin University of Science & Technology Taiwan)** 2. **Dr. Hendrisman Rahim, MA, FSAI, AAIJ, AMRP, CPIE, QIP (Chairman of The Indonesian Insurance Institute -AAMAI)** 3. **I Wayan Wijana (Deputy Director of Insurance Supervision I – Financial Services Authority (OJK))** Session 2 (Moderator: Juli Ratnawati, S.E., M.Si) 1. **Evan Lau, Ph.D (University Malaysia Serawak, Malaysia)** 2. **Prof. Hasan Fauzi, Ph.D, CA., CSRA. (Universitas Sebelas Maret Surakarta, Indonesia)** 3. **Dr. Nilmanee Sriboon (Thammasat University, Thailand**
12.00 – 12.15	Token of Appreciation for Speakers
12.15 - 13.30	Photo Session & Lunch Break
13.30 – 15.30 15.30 – 16.00 16.00 – 18.00	**Academia: (Meeting Room on the 6th floor)** Parallel Session 1 Afternoon Coffee Break Parallel Session 2

13.30 - 17.00	**Insurance Industry: (Ballroom)** Parallel Session **1. Joel Richard Hogart (Reliance Capital Management)** **2. Stephen Francis Bowey (Leapfrog Investment)** **3. Dr. Robby Loho, APAI, CIIB, AAIK, QIP, ICBU, ICPU, CPIE, AMRP, FMII, ANZIIF (SNR.ASSOC), CIP (Vice Chairman of The Indonesian Insurance Institute-AAMAI)** **4. Kevin Tan (The Malaysian Insurance Institute - AMII)** Moderator: Drs. Arizal E.R, AAINZ, QPI, AAIK, QIP
17.00 – 18.00	Afternoon Coffee Break & Distributing Certificate
19.00 – 22.00	Gala Dinner

Gala Dinner, 15 November 2018	
19.00 - 19.30	Registration
19.00 - 19.30	Band Performance
19.30 - 19.40	Welcome greeting: **Prof. Vincent Didiek Wiet Aryanto, Ph.D, MBA (Dean of Faculty of Economic and Business, Universitas Dian Nuswantoro)**
19.40 – 20.00	Speech: **Dr. Robby Loho, APAI, CIIB, AAIK, QIP, ICBU, ICPU, CPIE, AMRP, FMII, ANZIIF (SNR.ASSOC), CIP (Vice Chairman of The Indonesian Insurance Institute – AAMAI)**
20.00 – 20.15	E-Gamelan & Traditional Dance
20.15 - 20.30	Best Paper Award Announcement (3 best papers)
20.30 - 22.00	Performance/ Entertainment
22.00	Closing

Workshop on International Publication & City Tour

Building H, 1st Floor

Day 2, 16 November 2018	
Time	**Session**
08.00 -08.30	Registration and Morning Coffee Break
08.30 - 11.30	**Workshop:** **How to Get Published in a Reputable Journal: Top Tips From Editors in Chief (Evan Lau, Ph.D, University Malaysia Serawak, Malaysia)**
11.30 - 13.30	Lunch Break
13.30 - 15.00 15.00 - 16.00 16.00 - 17.00 17.00 - 17.30	City Tour : Semarang's batik (Javanese handwritten cloth) heritage (Kampung Batik Semarang) Sam Po Kong Temple Semarang food Shopping Centre (Bandeng Juwana) at Pamularsih Street Lawang Sewu

PARALLEL SESSION 1

Session: Marketing Management and Behavior and E- Business

Date: 15 November 2018

Time: 13.30 – 14.10

Room: Ruby 1

Chair: Dr. Yohan Wismantoro, MM (Universitas Dian Nuswantoro)

Session: Marketing Management and Behavior and E- Business

Date: 15 November 2018

Time: 14.20 – 15.10

Room: Ruby 1

Chair: Dr. Yohan Wismantoro, MM (Universitas Dian Nuswantoro)

Session: **Corporate Governance**

Date: 15 November2018

Time: 13.30 –14.20

Room: Ruby 2

Chair: Vinko Satrio Pekerti, S.E., MBA (Universitas Dian Nuswantoro)

Session: Corporate Governance & Risk Management

Date: 15 November2018

Time: 14.30 –15.20

Room: Ruby 2

Chair: Vinko Satrio Pekerti, S.E., MBA (Universitas Dian Nuswantoro)

Session: Corporate Social Responsibility

Date: 15 November2018

Time: 13.30 –14.20

Room: Saphire

Chair: Usman, MT (Universitas Dian Nuswantoro)

Session: Corporate Social Responsibility & Green Managemet

Date: 15 November2018

Time: 14.30 –15.20

Room: Saphire

Chair: Usman, MT (Universitas Dian Nuswantoro)

Session: Corporate Social Responsibility & Green Managemet

Date: 15 November2018

Time: 15.30 –16.00

Room: Saphire

Chair: Usman, MT (Universitas Dian Nuswantoro)

Session: **Sustainability Accounting**

Date: 15 November 2018

Time: 13.30 –14.10

Room: Emerald

Chair: Juli Ratnawati, M.Si (Universitas Dian Nuswantoro)

Session: Sustainability Accounting, Fraud Detection, & Corporate Finance

Date: 15 November 2018

Time: 14.20 –15.10

Room: Emerald

Chair: Juli Ratnawati, M.Si (Universitas Dian Nuswantoro)

Session: Corporate Finance

Date: 15 November 2018

Time: 15.20 –16.00

Room: Emerald

Chair: Juli Ratnawati, M.Si (Universitas Dian Nuswantoro)

PARALLEL SESSION 2

Session: Risk Management and Insurance

Date: 15 November 2018

Time: 16.00 –16.50

Room: Ruby 1

Chair: Dr. Amron (Universitas Dian Nuswantoro)

Session: **Risk Management and Insurance**

Date: 15 November 2018

Time: 17.00 –18.00

Room: Ruby 1

Chair: Dr. Amron (Universitas Dian Nuswantoro)

Session: **Sustainability Small Medium Enterprises**

Date: 15 November 2018

Time: 16.00 – 16.50

Room: Ruby 2

Chair: Hertiana Ikasari, S.E., MM (Universitas Dian Nuswantoro)

Session: **Sustainability Small Medium Enterprises & Climate Change and Change Management**

Date: 15 November 2018

Time: 17.00 – 18.00

Room: Ruby 2

Chair: Hertiana Ikasari, S.E., MM (Universitas Dian Nuswantoro)

Session: Human Behavior and Organization

Date: 15 November 2018

Time: 16.30 – 17.00

Room: Saphire

Chair: Dr. Sih Darmi (Universitas Dian Nuswantoro)

Session: Human Behavior and Organization

Date: 15 November 2018

Time: 17.10 – 18.00

Room: Saphire

Chair: Dr. Sih Darmi (Universitas Dian Nuswantoro)

Session: Corporate Governance & Risk Management

Date: 15 November2018

Time: 16.00 –17.00

Room: Emerald

Chair: Vinko Satrio Pekerti, S.E., MBA (Universitas Dian Nuswantoro)

Session: Marketing Management and Behavior & Financial Technology
Date: 15 November 2018
Time: 17.10 – 18.00
Room: Emerald
Chair: Dr. Yohan Wismantoro, MM (Universitas Dian Nuswantoro)

Readiness AssesmentModelfor CreativeIndustries in Improving Competitiveness in Central Java

Winarsih[1], Hendar[2]
[1,2]Akuntansi, Fakultas Ekonomi Unissula, Semarang, Indonesia
winarsih@unissula.ac.id,hendar@unissula.ac.id

Abstract

The contribution of the creative industry to the economy in Indonesia is without doubt. however the seriousness of the government in developing creative industries is being questioned, especially in terms of competitiveness, therefore the Readiness Assessment Scorecard is offered to measure the extent to which the readiness of the creative industry has a competitive advantage. With a specific measurement model of competitive advantage, it will facilitate both intellectuals, business people and the government in carrying out its role in developing the creative industry.This study aims to investigate the readiness factors of competitive advantage as a determinant of success in facing competition as well as developing measurement models and its scorecards. The resulting scorecard is used to measure readiness to create a comprehensive competitive advantage (multilevel perspective).The population in this study are creative industry players in the centers of creative industries in Central Java. Measurement of readiness assessment as a competitive advantage that is carried out comprehensively and periodically can provide technical and strategic advantages. Besides being able to be used to measure the strength or weakness of certain dimensions, it can also be used for continuous improvement. In addition, to optimize the efficiency and effectiveness of the process, knowledge transfer between creative industries is highly encouraged.The results of the literature study are four variables to measure the readiness of information technology to improve competitiveness, namely optimism, inconvenience, innovativeness and security. Data was collected by using survey method with questionnaire and analyzed using AMOS software. In general, the research findings indicate that SMEs in creative industries in Central Java have readiness to adopt IT. However, the research findings also indicate that perceptions of discomfort and insecurity are key issues that could potentially hamper IT adoption by SMEs creative industries in Central Java

Keywords: *Readiness Assessment Scorecard, Technology Readiness Index, competitive advantage.*

Readiness Assesment Model for Creative Industries in Improving Competitiveness in Central Java

Winarsih[1], Hendar[2]

1. Akuntansi, Fakultas Ekonomi Unissula, Semarang, Indonesia
2. Manajemen,Fakultas Ekonomi,Unissula, Semarang, Indonesia

winarsih@unissula.ac.id, hendar@unissula.ac.id

Abstract

The contribution of the creative industry to the economy in Indonesia is without doubt. however the seriousness of the government in developing creative industries is being questioned, especially in terms of competitiveness, therefore the Readiness Assessment Scorecard is offered to measure the extent to which the readiness of the creative industry has a competitive advantage. With a specific measurement model of competitive advantage, it will facilitate both intellectuals, business people and the government in carrying out its role in developing the creative industry.

This study aims to investigate the readiness factors of competitive advantage as a determinant of success in facing competition as well as developing measurement models and its scorecards. The resulting scorecard is used to measure readiness to create a comprehensive competitive advantage (multilevel perspective).

The population in this study are creative industry players in the centers of creative industries in Central Java. Measurement of readiness assessment as a competitive advantage that is carried out comprehensively and periodically can provide technical and strategic advantages. Besides being able to be used to measure the strength or weakness of certain dimensions, it can also be used for continuous improvement. In addition, to optimize the efficiency and effectiveness of the process, knowledge transfer between creative industries is highly encouraged.

The results of the literature study are four variables to measure the readiness of information technology to improve competitiveness, namely optimism, inconvenience, innovativeness and security. Data was collected by using survey method with questionnaire and analyzed using AMOS software. In general, the research findings indicate that SMEs in creative industries in Central Java have readiness to adopt IT. However, the research findings also indicate that perceptions of discomfort and insecurity are key issues that could potentially hamper IT adoption by SMEs creative industries in Central Java

Keywords: *Readiness Assessment Scorecard, Technology Readiness Index, competitive advantage.*

I. INTRODUCTION

1.1 Background

Creative economy in which includes creative industry is believed to be able to answer basic problems in the short and medium term, such as: 1) Low economic development post economic crisis (averaging 4.5% per year). 2) High unemployment (9-10%), 3) High poverty (16-17%), and 4) Low industrial competitiveness in Indonesia. In addition, the creative economy is expected to address some challenges such as global warming, renewable energy use, deforestation and reduced carbon emissions because the goal of developing creative industries is to create environmentally friendly products and services based on the intellectuals owned by Indonesia as a source of renewable energy (Pangestu, 2008, Ministry of Commerce of the Republic of Indonesia).

Some of the problems faced by Indonesia in developing the creative industries are: the readiness of creative human resources, competent educational institutions to produce creative Indonesian human resources, socio-cultural diversity, the readiness of government apparatus to encourage creative industries based on intellectual property to face global free market, and financial institutions to capitalize creative industry. (Ministry of Trade of Republic of Indonesia, 2008)

Research on the competitive advantage of creative industry in Indonesia has been done by some researchers such as Fitriati et al (2013) on mapping the creative industry related to regional competitiveness, Aritenang (2013) on regional development or innovation, Naomi (2011) on dynamic competitiveness of industry creative and manufacturing. Later, Setyorini et al (2013) suggested that SMEs need to develop human resources and technological capabilities to improve innovation and competitiveness. Jerusalem (2009) concludes that to strengthen the role of triple helix (intellectual, business and government) as this is a factor the key to achieving competitive advantage.

Based on previous studies, it can be concluded about the importance of creative industries to have competitive advantage. Readiness to deal with competition is a major obstacle in the development of creative industries which is believed to have a major contribution to the improvement of the economy in Indonesia. Therefore the Readiness Assessment Model Scorecard is offered to measure the extent to which the creative industry's readiness has competitive advantage. A specific measurement model of competitive advantage will make it easier for intellectuals, businessmen, and government in doing its role to develop the creative industry From this fact, the need for research that is specifically aimed at investigating the factors of readiness of competitive advantage as a determinant of success in facing competition becomes urgent.

II. LITERATURE REVIEW

2.1 Creative Industries

A Theory section should extend, not repeat, the background to the article already dealt with in the Introduction and lays the foundation for further work. Acalculation section represents a practical development from a theoretical basis.**Overview (of the Literature Review)** – try to link this with the research problems, aims/objectives of the study, research questions and the

theory that you are using. **Critical Evaluation (of the Literature Review) and Critical Evaluation (of the Theory (ies) –** (1)resolve a controversy and/or identify disagreements; (2) establish the need for additional research; (3) define a topic of inquiry; (4) andoutline a practical problem that needs resolution.

Berg and Hassink (2013) identified in early 2000 there was a debate among policy makers about the definition of the creative industry, especially about what sectors should be included and excluded. After this debate, from a wide range of discussions finally came a consensus based on the UNESCO definitions that included the following sectors (UNESCO 2007): publishing and literature, artistic performances, music, film, video and photography, broadcasting (television and radio), art visuals and crafts, advertising, design, including fashion, museums, galleries, and libraries, and interactive media (web, games, mobile, etc).

2.2. Competitive Advantages

Porter (2008) "competitive advantage is the heart of industrial performance in a competitive market situation". In addition, competitive advantage means having a low cost, differential advantages, or a successful focus strategy. Wingwon, Boonthawan (2012) describes the competitive advantage of Small and Medium Enterprises (SMEs) into 5 aspectsas follows. (1) increase market share, (2) firm asset growth (3) general competitiveness (4) lower cost than competitor and (5) product uniqueness as explained by Porter (2008).

2.3. Balanced Scorecard and Its Development

Chapman et al (2009) on the basic concept of Balanced Scorecard (BSC) introduced by Kaplan and Norton (1992) explains the roots and motivations of BSC and innovations that relate to the management literature. Kumari (2011) further said that BSC can be used as a management strategy system that will clarify and translate strategic vision and strategy, communication and networking objectives and strategic measurements, plan and prepare targets with strategic alliance initiatives, improve strategic feedback and learning. Thus Nzuve and Nyaega (2013) recommend a balanced scorecard used by the company in its strategy implementation and as a performance measurement.

The results of Chan and Hiap review (2012) recommend four BSC perspectives but less focus on customer relationships in the perspective of consumers and customer management on the internal business process perspective. Further suggested recommendations relating to this gap, a list of key performance measures for the construction industry in Malaysia has been selected by linking each trust strategy with relevant performance measurements.Gomes and Romao (2014) combine various tools and approaches to prepare for corporate strategic alliances as replace the statistical evaluation framework.

Divandri and Yousefi (2011) extend the BSC to measure the competitive advantage of port users especially in container terminals. It is concluded that the use of BSC is helpful in scheduling more efficient equipment ie reduction of time used by ships in ports and increasing terminal productivity. Wegmann (2008) using BSCs that connect two theories as background, strategic control approaches and knowledge management theory. In the other hand Cheng et al (2010)

integrates Corporate Social Responsibility with Balanced Scorecard for the development of the company's sustainability.

2.4. Readiness Assessment

Readiness assessment has been studied by previous researchers such as Ramayah et al (2007) studied 300 SMEs in Penang, Kedah and Perlis. His findings explain that SMEs in northern Malaysia are ready to implement e business, e commerce, and the internet in general. It also explains that in general the commitment of management and infrastructure and technology has a significant influence on the readiness of SMEs. Furthermore Hourali et al (2008) said that the concept of readiness assement for SMEs still get little attention in the literature. His research investigates the e readiness assessment model offered by several countries and then tries to develop a model for measuring readiness assumptions for SMEs with exploratory studies.

Then Janom and Zakaria (2010) studied to find out in general in developing the value of internal and external barriers indicators of the impact of B2B e-commerce development on agricultural-based SMEs. A process hierarchy analysis (AHP) is used in this study to create ranking list so that the key elements can be determined. The use of AHP results in more accurate and more consistent assessment. Thus the company can identify the level of readiness to implement B2B e-commerce and every aspect needed to improve before implementing this application.

Kirori and Achieng (2013) report on research findings related to readiness access of SMEs and financial institutions in Kenya in using information technology and challenges. Furthermore Chanyagorn and Kungwannarongkun (2011) explain the readiness model of information and communication technology information especially designed to measure readiness level of benefits and penetration on SMEs in developing countries. This technology assessment model includes 15 important indicators, mathematical models, development factors and interpretation guidelines for readiness of information and communication technology.

Alam and Noor (2009) evaluated the relationship between ICT adoption and the five factors that resulted in benefits, costs, ICT knowledge, external pressure and government support. The results of this study illustrate that three factors are significantly important in ICT adoption in determining adoption. This study resulted in a better understanding of SMEs' perceptions of ICT adoption in their business services. While Nezakati et al (2012) found that the technical knowledge of e-commerce is significantly no difference between Malaysia, Singapore and Thailand both in manufacturing and service industries, but in technical knowledge and skills have the same challenge that is the influence of e-commerce in these countries.

This research uses theory, namely Technology Readiness Index (TRI) which adapted from Parasuraman (2000). The reason for using the theories is because it is relevant to explain the issue and purpose of research, that is measuring and predicting the level of readiness of information technology adoption by creative industry. Technology Readiness Index (TRI) adapted from Parasuraman (2000). TRI measures the tendency of a person to accept and use technology to accomplish goals in domestic life or at work. The constructs in the TRI model are an overall thought statement that results from the mental of the impulse and inhibitor that collectively determines the tendency to use new technology. TRI is a framework that explains the relationship of individuals with technology, namely the relationship of individual characteristics and beliefs to various aspects of technology. The relative strength of each

characteristic indicates one's openness to technology (Parasuraman, 2000). TRI defines four main constructs of individual readiness adopting IT based on common personality characteristics and motivator or inhibitor factors on new technologies. Here are the constructs in the TRI model (Parasuraman, 2000). 1) Optimism, which is a positive view of technology. Positive beliefs about technology can improve control, flexibility, and efficiency in life because of technology. 2) Innovation innovativeness, the tendency to become the first user of a new technology. 3) Inconvenience, ie overwhelming feelings and inability to control new technology. 4) Insecurity, ie distrust of new technology for security and privacy reasons. Based on the explanation of theoretical basis, it can be concluded that TRI can explain and predict the degree of readiness of individual adoption in receiving IT.

III. METHODOLOGY

Data collection methods used in this study are Focus Group Discussion (FGD) and field survey. FGDs are intended to verify validated readiness assessments scorecard of creative industry competitiveness and to generate initial concept implementation methodologies of the scorecards that have been produced. While the field survey conducted by distributing questionnaires to a number of potential respondents which is creative industry players in creative industries centers in Central Java region as much as 267 respondents.

IV. RESULT AND DISCUSSION

Based on the data and the results of verification of researchers on the number of creative industries in Central Java in 2017, there are 500 companies. Of the 300 questionnaires distributed, 267 are returned and can be further processed. The following is a creative industry type of 267 samples is described in Table 4.1.

Table 4.1 Types of Creative Industry

Types of Industry	Frequency	Percentage
Craft	30	11.24
Advertising	20	7.49
IT software and services	15	5.62
Design	20	7.49
Apparel design	10	3.75
Film / video / photography	5	1.87
Music	5	1.87
Architecture	10	3.75
Antique and Artistic Goods	2	0.75
Batik	65	24.34
Bed linen, pillowcases	25	9.36
Gray Fabrics	20	7.49
Publishing and Printing	10	3.75
Interactive games	15	5.62
Art Performance	5	1.87
Others	10	3.75
Total	267	100

Based on Table 4.1 that batik shows the greatest results, but for the next craft in the next sequence. The type of technology used is as follows:

Table 4.2. Types of IT used

Types of TI	Frequency	Percentage
Website	131	49.06
Email	6	2.25
Handphone	67	25.09
Telephone	52	19.48
Fax	11	4.12
Total	267	100

Based on the table shows that the type of information technology used by the largest creative industries is the website. This means web is primarily used as a means of communication. These findings indicate that the growth of creative industries based on information technology in Central Java is quite good and the selected samples are distributed equally and relevant in the adoption of information technology.

Key findings identified through interviews from key person and employees of the creative industries are as follows:

1. Understanding of information technology shows that most businessmen do not have difficulty in its use.
2. An innovative is aware of the progress of technology and the rapid development of technology, so the information technology system is relatively brief
3. The use of information technology is based on the amount of contribution earned
4. The perception of convenience and usability by adopting information technology

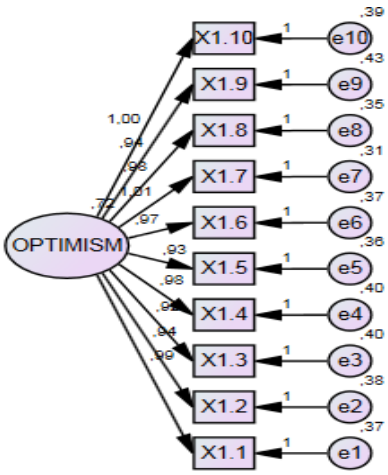
Measurement Model Analysis

Confirmatory Factor Analysis (CFA) is used to test dimensionality of a construction. The first phase prior to analyzing structural model is analyzing measurement model of every variable, because a decent model is supported by variables that is measured by a valid and reliable indicator.

Analysis of confirmatory factor of exogenous variable is used to test indicators that shape exogenous construction. The diagram of measurement model of exogenous variable can be found in picture 4.1 below.

1. *OPTIMISM* variable

Figure 4.1. Measurement Model of *Optimism* Variable



Chi Square = 52,865; Probability = ,027; DF = 35; NC = 1,510
GFI = ,962; AGFI = ,940
TLI = ,988; CFI = ,991; NFI= ,974; RMSEA = ,044

The results of the confirmatory analysis of the Optimism variable in the form of the diagram above showed that the standardized loading for all indicators has a loading factor greater than 0.50 which means that all the indicators that make up the Optimism construction are valid.

To get the confidence whether the measurement model can be stated in accordance with the research data, then the calculation of the general match test model measurement statistics is carried out. Evaluation of the suitability of the model, the measurement model on the Optimism variable is done by comparing the value of the model compability indexes produced with the recommended model match index, as presented in table 4.3 below:

Table 4.3 Compability Evaluation of Measurement Models of Optimism Variable

Fit Size	Value	Cut-off	Remarks
P-value dari Chi-square	0,027	> 0,05	Moderat
Normed Chi-square (NC)	1,510	< 3	Sangat Bagus
GFI	0,962	> 0,90	Sangat Bagus
AGFI	0,940	> 0,90	Sangat Bagus
TLI	0,988	> 0,90	Sangat Bagus
CFI	0,991	> 0,90	Sangat Bagus
NFI	0,974	> 0,90	Sangat Bagus
RMSEA	0,044	< 0,08	Sangat Bagus

Suitability evaluation of the measurement model on the Optimism variable shows that the indices are good, that is according to what is required. Furthermore, based on Regression Weights, it shows that all indicators have a p-value smaller than 0.001 (***). Therefore it can be

concluded that all indicators are significant as OPTIMISM variable measurement. This can be seen in table 4.4. below :

Table 4.4 Regression Weights: (Group number 1 – Default model)

			Estimate	S.E.	C.R.	P	Label
X1.10	←-	OPTIMISM	1,000				
X1.9	←-	OPTIMISM	,937	,066	14,186	***	par_1
X1.8	←-	OPTIMISM	,981	,064	15,391	***	par_2
X1.7	←-	OPTIMISM	1,013	,063	16,030	***	par_3
X1.6	←-	OPTIMISM	,967	,064	15,073	***	par_4
X1.5	←-	OPTIMISM	,927	,062	14,844	***	par_5
X1.4	←-	OPTIMISM	,975	,066	14,838	***	par_6
X1.3	←-	OPTIMISM	,919	,064	14,359	***	par_7
X1.2	←-	OPTIMISM	,944	,064	14,724	***	par_8
X1.1	←-	OPTIMISM	,987	,065	15,151	***	par_9

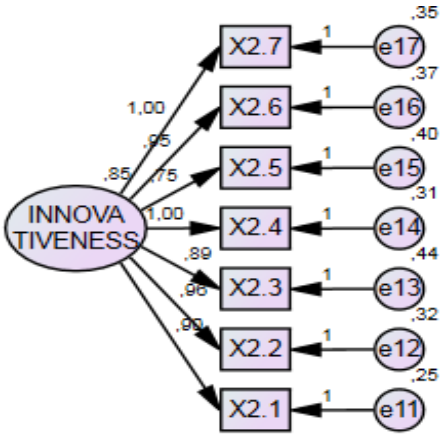
Based on Table 4.4, it is known that all measurement items have a loading greater than 0.70. This means that all indicators meet convergent validity as a variable measure of Optimism.

Table 4.5. Standardized Regression Weights: (Group number 1 – Default model

			Estimate
X1.10	←-	OPTIMISM	,804
X1.9	←-	OPTIMISM	,770
X1.8	←-	OPTIMISM	,817
X1.7	←-	OPTIMISM	,840
X1.6	←-	OPTIMISM	,805
X1.5	←-	OPTIMISM	,796
X1.4	←-	OPTIMISM	,796
X1.3	←-	OPTIMISM	,777
X1.2	←-	OPTIMISM	,791
X1.1	←-	OPTIMISM	,808

2. Variabel INNOVATIVENESS

Figure 4.2 Measurement Model of *Innovativeness* Variable



Chi Square = 15,124; Probability = ,370; DF = 14; NC = 1,080
GFI = ,984; AGFI = ,969
TLI = ,999; CFI = ,999; NFI= ,989; RMSEA = ,017

The results of the confirmatory analysis of the Innovativeness variable in the diagram above showed that the standardized loading for all indicators has a loading factor greater than 0.50 which means that all the indicators that make up the construct of innovativeness are valid. To get confidence whether the measurement model can be stated in accordance with the research data, then the calculation of the general match test model measurement statistics is carried out. Evaluation of the compability of measurement models in the Innovativeness variable is done by comparing the value of the model matched indices produced with the recommended model match index, as presented in table 4.6 below :

Table 4.6 Compability Evaluation of Measurement Models of Innovativeness Variable

Fit Size	Value	Cut-off	Remarks
P-value dari Chi-square	0,370	> 0,05	Sangat Bagus
Normed Chi-square (NC)	1,080	< 3	Sangat Bagus
GFI	0,984	> 0,90	Sangat Bagus
AGFI	0,969	> 0,90	Sangat Bagus
TLI	0,999	> 0,90	Sangat Bagus
CFI	0,999	> 0,90	Sangat Bagus
NFI	0,989	> 0,90	Sangat Bagus
RMSEA	0,017	< 0,08	Sangat Bagus

Compability evaluation of the measurement model in the Innovativeness variable shows that the indices are good, that is according to what is required. Furthermore, based on Regression Weights, it is pointed out that all the analysts have a p-value smaller than 0.001 (***), so it can

be concluded that all indicators are significant as indicators of Innovativeness indicators. This can be seen in table 4.7.

Table 4.7 Regression Weights: (Group number 1 – Default model)

			Estimate	S.E.	C.R.	P	Label
X2.7	←-	INNOVATIVENESS	1,000				
X2.6	←-	INNOVATIVENESS	,946	,057	16,506	***	par_1
X2.5	←-	INNOVATIVENESS	,753	,053	14,072	***	par_2
X2.4	←-	INNOVATIVENESS	,996	,056	17,662	***	par_3
X2.3	←-	INNOVATIVENESS	,893	,059	15,236	***	par_4
X2.2	←-	INNOVATIVENESS	,956	,056	17,187	***	par_5
X2.1	←-	INNOVATIVENESS	,898	,051	17,613	***	par_6

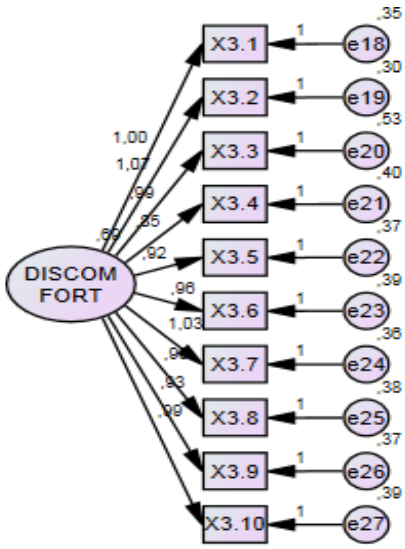
According to Raghunathan et al. (1999), all measurement items (indicators) which have a standardized loading value smaller than 0.45 should be removed from the analysis at once. From Table 4.7 it is known that all measurement items have a loading greater than 0.45, therefore all are eligible to measure the latent indicators. This means that all indicators fulfill convergent validity as a measurement of innovativeness variable.

Table 4.8 Standardized Regression Weights: (Group number 1 – Default model)

			Estimate
X2.7	←-	INNOVATIVENESS	,843
X2.6	←-	INNOVATIVENESS	,821
X2.5	←-	INNOVATIVENESS	,740
X2.4	←-	INNOVATIVENESS	,856
X2.3	←-	INNOVATIVENESS	,780
X2.2	←-	INNOVATIVENESS	,842
X2.1	←-	INNOVATIVENESS	,854

3. Variabel DISCOMFORT

Figure 4.3 Measurement Model of *Discomfort* Variable



Chi Square = 52,645; Probability = ,028; DF = 35; NC = 1,504
GFI = ,964; AGFI = ,944
TLI = ,988; CFI = ,991; NFI= ,973; RMSEA = ,044

The results of the confirmation analysis of the Discomfort variable in the diagram above indicated that the standardized loading for all indicators has a loading factor greater than 0.50 which means that all the indicators that make up the Discomfort construct are valid. To get confidence whether the measurement model can be stated in accordance with the research data, then the calculation of the general match test model measurement statistics is carried out. Evaluation of the compatibility of the model, the measurement model on the Discomfort variable is done by comparing the value of the model matched indices produced with the recommended model match index, as presented in the following table 4.9:

Table 4.9 Compability Evaluation of Measurement Models of Discomfort Variable

Fit size	Value	Cut-off	Remarks
P-value of Chi-square	0,028	> 0,05	Moderate
Normed Chi-square (NC)	1,504	< 3	Very good
GFI	0,964	> 0,90	Very good
AGFI	0,944	> 0,90	Very good
TLI	0,988	> 0,90	Very good
CFI	0,991	> 0,90	Very good
NFI	0,973	> 0,90	Very good
RMSEA	0,044	< 0,08	Very good

Compatibility evaluation of the measurement model in the Discomfort variable shows that the indices are good, that is according to what is required. Furthermore, based on Regression Weights, it was pointed out that all indicators had a p-value smaller than 0.001 (***), so it could be concluded that all indicators were significant as a measurement of Discomfort indicators. This can be seen in the following table 5.8.

Table 4.10 Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
X3.1	<---	DISCOMFORT	1,000				
X3.2	<---	DISCOMFORT	1,074	,064	16,793	***	par_1
X3.3	<---	DISCOMFORT	,991	,071	13,932	***	par_2
X3.4	<---	DISCOMFORT	,852	,061	13,884	***	par_3
X3.5	<---	DISCOMFORT	,915	,062	14,710	***	par_4
X3.6	<---	DISCOMFORT	,962	,065	14,909	***	par_5
X3.7	<---	DISCOMFORT	1,034	,065	15,860	***	par_6
X3.8	<---	DISCOMFORT	,986	,065	15,252	***	par_7
X3.9	<---	DISCOMFORT	,930	,063	14,845	***	par_8
X3.10	<---	DISCOMFORT	,988	,065	15,154	***	par_9

From Table 4.10 it is known that all measurement items have a loading greater than 0.70, therefore all are eligible to measure the latent indicators. This means that all indicators fulfill convergent validity as a measurement of variable Discomfort

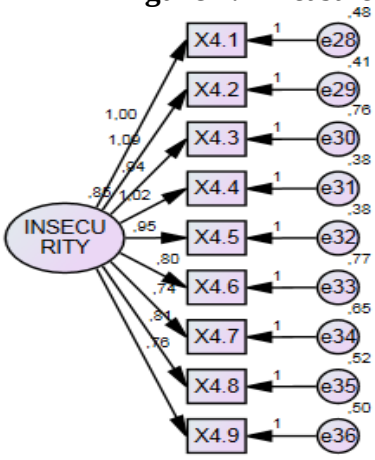
Tabel 4.11 Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
X3.1	<---	DISCOMFORT	,817
X3.2	<---	DISCOMFORT	,853
X3.3	<---	DISCOMFORT	,750
X3.4	<---	DISCOMFORT	,748
X3.5	<---	DISCOMFORT	,780
X3.6	<---	DISCOMFORT	,787
X3.7	<---	DISCOMFORT	,821
X3.8	<---	DISCOMFORT	,800
X3.9	<---	DISCOMFORT	,785
X3.10	<---	DISCOMFORT	,796

4. Variabel INSECURITY

5.

Figure 4.4 Measurement Model of *Security* Variable



Chi Square = 42,321; Probability = ,031; DF = 27; NC = 1,567
GFI = ,966; AGFI = ,944
TLI = ,985; CFI = ,989; NFI= ,970; RMSEA = ,046

The result of confirmatory analysis of Insecurity variables in the form of the diagram above shows that the standardized loading for all indicators has a loading factor greater than 0.50 which means that all the indicators that make up the Insecurity construct are valid. To get confidence whether the measurement model can be stated in accordance with the research data, then the calculation of the general match test model measurement statistics is carried out. Evaluation of the compatibility of the model, the measurement model of the Insecurity variable is done by

comparing the value of the model matched indices produced with the recommended model match index, as presented in the following table 4.12

Table 4.12 Compatibility Evaluation of Measurement Models of Insecurity Variable

Fit size	Value	Cut-off	Remarks
P-value of Chi-square	0,031	> 0,05	Moderate
Normed Chi-square (NC)	1,567	< 3	Very good
GFI	0,966	> 0,90	Very good
AGFI	0,944	> 0,90	Very good
TLI	0,985	> 0,90	Very good
CFI	0,989	> 0,90	Very good
NFI	0,970	> 0,90	Very good
RMSEA	0,046	< 0,08	Very good

Compatibility evaluation of the measurement model on the Insecurity variable shows that the indices are good, that is according to what is required. Furthermore, based on Regression Weights, it is pointed out that all narrators have a p-value that is smaller than 0.001 (***), so it can be concluded that all significant indicators as indicators of Insecurity indicators can be seen in the following table 4.12.

Table 4.13 Regression Weights: (Group number 1 -Default model)

			Estimate	S.E.	C.R.	P	Label
X4.1	<---	INSECURITY	1,000				
X4.2	<---	INSECURITY	1,091	,070	15,698	***	par_1
X4.3	<---	INSECURITY	,937	,076	12,383	***	par_2
X4.4	<---	INSECURITY	1,021	,066	15,524	***	par_3
X4.5	<---	INSECURITY	,946	,063	15,009	***	par_4
X4.6	<---	INSECURITY	,803	,072	11,113	***	par_5
X4.7	<---	INSECURITY	,741	,066	11,149	***	par_6
X4.8	<---	INSECURITY	,810	,064	12,717	***	par_7
X4.9	<---	INSECURITY	,760	,061	12,361	***	par_8

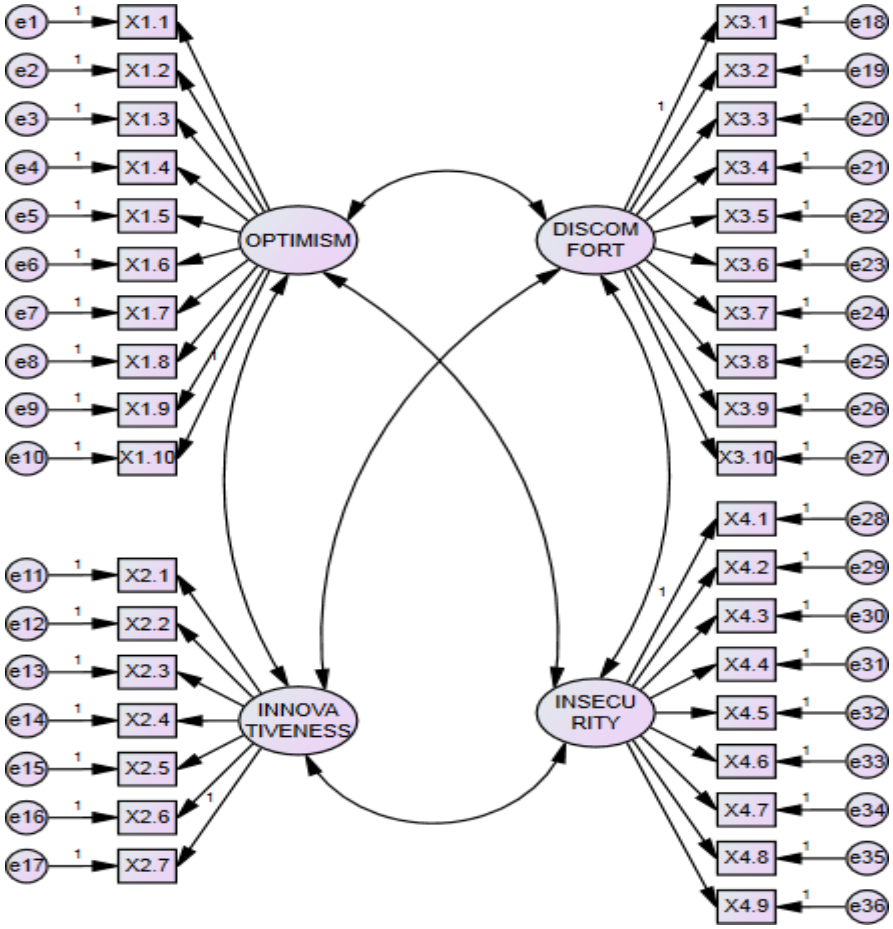
Table 4.14 Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
X4.1	<---	INSECURITY	,800
X4.2	<---	INSECURITY	,844
X4.3	<---	INSECURITY	,704
X4.4	<---	INSECURITY	,837
X4.5	<---	INSECURITY	,816
X4.6	<---	INSECURITY	,645
X4.7	<---	INSECURITY	,647
X4.8	<---	INSECURITY	,719
X4.9	<---	INSECURITY	,703

Based on Table 4.14, it shows that the Loading factors (estimation) for all indicators were > 0.70, except for X4.6 and X4.7 which each has a loading value of 0.645 and 0.647. Although the loading of these two indicators is smaller than 0.7, but still far greater than 0.5, so it is still maintained in the analysis (not deleted). Thus, all indicators fulfill convergent validity as an INSECURITY variable measurement.

FULL MEASUREMENT MODEL ANALYSIS

Figure 4-5 Readiness Development Model



In Figure 4 5, besides being used for data checking purposes, it is also used to test the validity and reliability of the factors simultaneously. The results of non-standardized estimation (regression weight) are as shown in Table 4.14 below.

Table 4.14 Non standardized estimation result

Variable	min	max	skew	c.r.	kurtosis	c.r.
X4.9	4,000	9,000	,302	-2,011	,058	,192
X4.8	4,000	9,000	-,536	-3,566	-,060	-,199
X4.7	4,000	9,000	-,407	-2,707	-,312	-1,038
X4.6	4,000	9,000	-,327	-2,177	-,682	-2,271
X4.5	4,000	9,000	-,027	-,178	-,615	-2,048
X4.4	4,000	9,000	-,078	-,518	-,479	-1,594
X4.3	4,000	9,000	-,411	-2,736	-,334	-1,112
X4.2	4,000	9,000	-,180	-1,199	-,683	-2,274
X4.1	4,000	9,000	-,330	-2,200	-,392	-1,305
X3.10	4,000	9,000	,023	,156	-,508	-1,690
X3.9	4,000	9,000	-,166	-1,103	-,075	-,250
X3.8	5,000	9,000	,081	,540	-,609	-2,029
X3.7	4,000	9,000	-,142	-,943	-,619	-2,060
X3.6	4,000	9,000	-,336	-2,239	-,348	-1,158
X3.5	4,000	9,000	,036	,240	-,505	-1,682
X3.4	5,000	9,000	-,028	-,184	-,367	-1,222
X3.3	4,000	9,000	-,224	-1,495	-,407	-1,355
X3.2	4,000	9,000	,166	1,103	-,530	-1,764
X3.1	5,000	9,000	,053	,355	-,744	-2,476
X2.1	4,000	9,000	-1,006	-6,700	,911	3,032
X2.2	4,000	9,000	-1,093	-7,277	,947	3,154
X2.3	4,000	9,000	-,587	-3,909	,714	2,375
X2.4	3,000	9,000	-1,019	-6,782	1,079	3,592
X2.5	4,000	9,000	-,935	-6,227	,921	3,065
X2.6	3,000	9,000	-1,037	-6,903	,866	2,882
X2.7	4,000	9,000	-,808	-5,381	,561	1,869

Variable	min	max	skew	c.r.	kurtosis	c.r.
X1.1	4,000	9,000	-,887	-5,906	,709	2,360
X1.2	4,000	9,000	-,980	-6,528	1,020	3,395
X1.3	4,000	9,000	-,822	-5,474	,649	2,162
X1.4	4,000	9,000	-,725	-4,825	,145	,481
X1.5	3,000	9,000	-,747	-4,973	1,140	3,794
X1.6	3,000	9,000	-1,013	-6,746	1,169	3,891
X1.7	4,000	9,000	-,815	-5,428	,085	,283
X1.8	4,000	9,000	-,775	-5,162	,059	,196
X1.9	4,000	9,000	-,844	-5,618	,304	1,013
X1.10	4,000	9,000	-,817	-5,439	,215	,717
Multivariate					31,872	4,969

Based on the critical ratio (c.r.) of the kurtosis coefficient, the resulting multivariate is 4.969. Thus, the value of c.r. this is greater than 2.58, so Multivariate Normality data is not met. Then the Outlier test is done as in table 4.15. Below:

Tabel 4.15 Outlier Test :

Observation number	Mahalanobis d-squared	p1	p2
223	70,911	,000	,115
6	67,522	,001	,037
201	61,281	,005	,173
250	59,976	,007	,132
48	59,167	,009	,088

Some variables were identified as outliers, because they have p1 and p2 values from Mahalanobis distance (Mahalanobis d-square) smaller than 1% (0.01). Observations identified as outliers will be excluded from the analysis one by one. There were 9 observations identified as outliers, namely observations with respondent numbers as follows: 223, 6, 201, 250, 77, 48, 11, 54, 257 and the nine observations were excluded from the analysis because they contributed to multivariate abnormalities. Thus the sample size used is 267. The next step is to repeat the data check

1) Multivariate Normality Test

Tabel 4.16 Assessment of normality (Group number 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
X4.9	4,000	9,000	-,291	-1,905	,059	,193
X4.8	4,000	9,000	-,611	-3,996	-,040	-,132
X4.7	4,000	9,000	-,426	-2,789	-,260	-,851
X4.6	4,000	9,000	-,309	-2,024	-,678	-2,219
X4.5	4,000	9,000	-,012	-,077	-,592	-1,937
X4.4	4,000	9,000	-,074	-,484	-,433	-1,417
X4.3	4,000	9,000	-,392	-2,569	-,367	-1,201
X4.2	4,000	9,000	-,174	-1,139	-,698	-2,285
X4.1	4,000	9,000	-,336	-2,200	-,372	-1,218
X3.10	4,000	9,000	,042	,277	-,462	-1,511
X3.9	4,000	9,000	-,152	-,994	-,120	-,391
X3.8	5,000	9,000	,084	,552	-,620	-2,028
X3.7	4,000	9,000	-,113	-,739	-,637	-2,084
X3.6	4,000	9,000	-,321	-2,103	-,344	-1,127
X3.5	4,000	9,000	,001	,007	-,543	-1,778
X3.4	5,000	9,000	-,045	-,297	-,418	-1,368
X3.3	4,000	9,000	-,254	-1,661	-,414	-1,353
X3.2	4,000	9,000	,175	1,146	-,519	-1,698
X3.1	5,000	9,000	,056	,369	-,715	-2,339
X2.1	4,000	9,000	-1,014	-6,634	1,016	3,325
X2.2	4,000	9,000	-1,097	-7,182	,995	3,256
X2.3	4,000	9,000	-,599	-3,921	,701	2,293
X2.4	3,000	9,000	-1,065	-6,968	1,195	3,912
X2.5	4,000	9,000	-,952	-6,231	1,006	3,290
X2.6	3,000	9,000	-1,085	-7,101	1,105	3,616
X2.7	4,000	9,000	-,807	-5,285	,604	1,976

Variable	min	max	skew	c.r.	kurtosis	c.r.
X1.1	4,000	9,000	-,858	-5,616	,625	2,045
X1.2	4,000	9,000	-,999	-6,540	1,095	3,582
X1.3	4,000	9,000	-,832	-5,442	,723	2,365
X1.4	4,000	9,000	-,761	-4,978	,271	,888
X1.5	3,000	9,000	-,755	-4,940	1,093	3,578
X1.6	3,000	9,000	-1,022	-6,691	1,211	3,962
X1.7	4,000	9,000	-,844	-5,524	,183	,600
X1.8	4,000	9,000	-,783	-5,121	,063	,205
X1.9	4,000	9,000	-,873	-5,712	,447	1,461
X1.10	4,000	9,000	-,833	-5,450	,326	1,067
Multivariate					15,688	2,404

Based on the critical ratio value (c.r.) of the resulting multivariate kurtosis coefficient of 2.404. Because the value of c.r is smaller than 2.58, the multivariate data normality as a condition for using the Maximum Likelihood method has been fulfilled.

2) Outlier Test :

Outliers is then carried out as in the following Table 4.17 :

Table 4.17 Outlier Test :

Observation number	Mahalanobis d-squared	p1	p2
120	57,907	,012	,952
10	57,618	,013	,834
8	55,683	,019	,872
34	55,138	,022	,806
72	53,979	,028	,837

Based on Table 4.17 above, it shows that there are no more observations identified as outliers, because they have p1 and p2 values from Mahalanobis distance (Mahalanobis d-square) which are all greater than 1% (0.01). The next step is to carry out complete measurement of *goodness of fit model*.

Figure 4.6 **Model Readiness Development after some improvement**

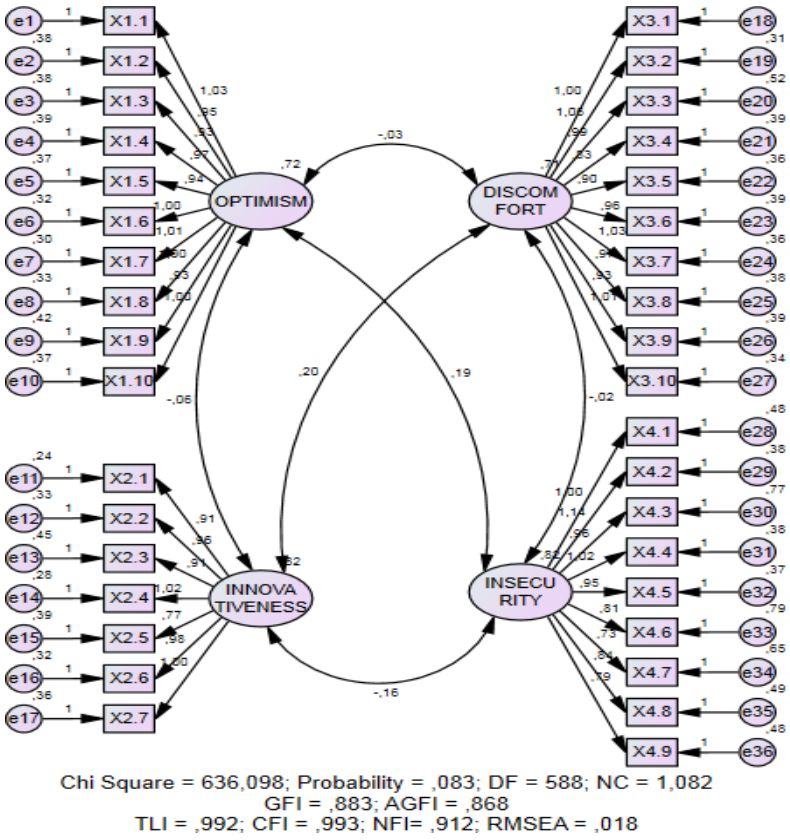


Table 4.18 Evaluation of Model Compatibility

Fit size	Value	Cut-off	Remarks
P-value dari Chi-square	0,083	> 0,05	Very good
Normed Chi-square (NC)	1,082	< 3	Very good
GFI	0,883	> 0,90	Moderate
AGFI	0,868	> 0,90	Moderate
TLI	0,992	> 0,90	Very good
CFI	0,993	> 0,90	Very good
NFI	0,912	> 0,90	Very good
RMSEA	0,018	< 0,08	Very good

Based on figure 4.6 dan Table 4.18, it shows that the fit model is complete as a whole and can be accepted

EVALUATION OF VALIDITY AND RELIABILITY OF CONSTRUCT

Evaluation of convergent validity, discriminant validity, and reliability was carried out using confirmatory factor analysis (CFA). Convergent validity indicates the extent to which each indicator of a construct is convergent or shares proportion of variance. Convergent validity can be evaluated using standardized loading estimates, which is a minimum value of 0.5, or ideally above 0.7. In addition, all loading factors must be statistically significant (Hair et al., 2014).

Tabel 4.19 Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
X1.10	<---	OPTIMISM	1,000				
X1.9	<---	OPTIMISM	,928	,065	14,178	***	par_1
X1.8	<---	OPTIMISM	,995	,064	15,641	***	par_2
X1.7	<---	OPTIMISM	1,012	,062	16,189	***	par_3
X1.6	<---	OPTIMISM	1,002	,063	15,823	***	par_4
X1.5	<---	OPTIMISM	,939	,063	14,849	***	par_5
X1.4	<---	OPTIMISM	,969	,065	14,861	***	par_6
X1.3	<---	OPTIMISM	,932	,064	14,675	***	par_7
X1.2	<---	OPTIMISM	,947	,064	14,777	***	par_8
X1.1	<---	OPTIMISM	1,026	,065	15,797	***	par_9
X2.7	<---	INNOVATIVENESS	1,000				
X2.6	<---	INNOVATIVENESS	,981	,059	16,718	***	par_10
X2.5	<---	INNOVATIVENESS	,774	,056	13,863	***	par_11
X2.4	<---	INNOVATIVENESS	1,018	,058	17,490	***	par_12
X2.3	<---	INNOVATIVENESS	,912	,062	14,626	***	par_13
X2.2	<---	INNOVATIVENESS	,965	,059	16,463	***	par_14
X2.1	<---	INNOVATIVENESS	,906	,053	17,174	***	par_15
X3.1	<---	DISCOMFORT	1,000				
X3.2	<---	DISCOMFORT	1,061	,063	16,849	***	par_16
X3.3	<---	DISCOMFORT	,989	,070	14,166	***	par_17

			Estimate	S.E.	C.R.	P	Label
X3.4	<---	DISCOMFORT	,835	,060	13,867	***	par_18
X3.5	<---	DISCOMFORT	,901	,060	14,926	***	par_19
X3.6	<---	DISCOMFORT	,957	,064	15,050	***	par_20
X3.7	<---	DISCOMFORT	1,031	,064	16,017	***	par_21
X3.8	<---	DISCOMFORT	,969	,063	15,324	***	par_22
X3.9	<---	DISCOMFORT	,929	,062	14,878	***	par_23
X3.10	<---	DISCOMFORT	1,012	,063	16,130	***	par_24
X4.1	<---	INSECURITY	1,000				
X4.2	<---	INSECURITY	1,141	,073	15,656	***	par_25
X4.3	<---	INSECURITY	,964	,080	12,087	***	par_26
X4.4	<---	INSECURITY	1,017	,068	14,935	***	par_27
X4.5	<---	INSECURITY	,951	,065	14,584	***	par_28
X4.6	<---	INSECURITY	,806	,076	10,664	***	par_29
X4.7	<---	INSECURITY	,733	,069	10,673	***	par_30
X4.8	<---	INSECURITY	,837	,066	12,750	***	par_31
X4.9	<---	INSECURITY	,786	,064	12,321	***	par_32

All indicators have a p-value that is smaller than 0.001 (***), so that all indicators are significant to measure each of the latent constructs.

Table 4.20 Standardized *Loading* Estimates

Variable	Indicator	Description	Loading
OPTIMISM	X1.1	Technology makes people easier to control things in their lives	0,831
	X1.2	Products and services that use the latest technology are more convenient to use	0,794
	X1.3	I like to do work using computers online, because I don't need to be fixated on monotonous working hours	0,790
	X1.4	I prefer to use the most advanced technology in my activities	0,797
	X1.5	I like to use a computer program that can be tailored to my needs	0,796
	X1.6	Technology makes me more efficient at doing	0,832

		work.	
	X1.7	I feel new technologies can fuel creativity	0,845
	X1.8	Technology gives me more freedom in activities	0,826
	X1.9	By learning about technology, I don't miss information in the world	0,771
	X1.10	I am sure if the computer and machines will follow instructions that I gave them	0,812
INNOVATIVENESS	X2.1	Many people came to me to ask for opinions about technology	0,859
	X2.2	It seems that my friends know and learn more about technology than me	0,837
	X2.3	Usually, I'm the first person to know the latest technology compared to my friends	0,775
	X2.4	I am able to know the development of products and services through technology without help from others	0,869
	X2.5	Saya biasanya selalu menerapkan teknologi-teknologi terbaru dalam bidang pekerjaan saya	0,746
	X2.6	I always apply the latest technologies in my field of work	0,845
	X2.7	I am able and do not experience many problems in using technology products	0,834
DISCOMFORT	X3.1	Technical support sometimes doesn't help much	0,831
	X3.2	Sometimes I think that technology that is designed and created actually makes my work more complicated	0,848
	X3.3	Guidelines for operating products and services are very difficult to read and understand	0,757
	X3.4	I feel uncomfortable if I have to change my computer password too often for fear of forgetting	0,746
	X3.5	When buying a product or service, I prefer the standard with cheaper price than the one with many features but the price is expensive	0,784
	X3.6	I feel uncomfortable when playing with information technology systems, because it can damage the system and I will be blamed	0,789
	X3.7	There should be more attention when a system generates data for use in work because the data may be wrong	0,822
	X3.8	Many technologies have health and safety risks but are not seen until everyone uses them	0,798
	X3.9	Technology makes governments and companies are able to spy on people easily	0,783

	X3.10	Technology is always problematic when we need it the most	0,825
INSECURITY	X4.1	I feel unsafe if I have to give my credit card number via a computer.	0,794
	X4.2	I feel unsafe to do online financial transactions.	0,860
	X4.3	I am worried that the information I send via the internet can be seen by others.	0,704
	X4.4	I feel uncomfortable if I have to do business online.	0,830
	X4.5	All business transactions made electronically or online must have a written confirmation	0,816
	X4.6	Every time the process takes place automatically, I must always check again to make sure the computer or machine does not make a mistake	0,635
	X4.7	The touch of a human hand is very important in doing business in a company	0,635
	X4.8	When doing business, I prefer to interact with humans directly rather than with a computer	0,735
	X4.9	I feel unsafe if I have to give my PC / Laptop password to someone else	0,715

All indicators have a loading factor (standardized estimation value) greater than 0.7, with the exception of X4.6 and X4.7, each of which has a loading value of 0.635 against the INSECURITY construct. Although these two indicators have a loading value below 0.7, they are still greater than 0.5 and significant so that they can still be retained. Both indicators will be deleted one by one if they cannot support the fulfillment of discriminant validity and construct reliability. Thus, all indicators have a large enough loading factor and also statistically significant, so the convergent validity of this complete measurement model is fulfilled.

1) Discriminant Reliability and Validity

   Reliability explains the internal consistency of each measurement indicator in measuring each of the latent constructs. Evaluation of reliability can be done using Cronbach's alpha statistics, composite reliability (CR), and average variance extracted (AVE). Each latent construct must at least have Cronbach and CR statistics of 0.7 or higher, and AVE of 0.5 or higher (Hair et al., 2014).

Table 4.21 Estimation of correlation between constructs:

			Estimate
OPTIMISM	<-->	DISCOMFORT	-,038
INNOVATIVENESS	<-->	INSECURITY	-,194
DISCOMFORT	<-->	INSECURITY	-,025
OPTIMISM	<-->	INNOVATIVENESS	-,080
OPTIMISM	<-->	INSECURITY	,253
INNOVATIVENESS	<-->	DISCOMFORT	,268

Table 4.22 Statistik α Cronbach, CR, AVE, dan Kuadrat Korelasi

Variables	**Jumlah Indikator**	**α Cronbach**	**CR**	OPTI-MISM	INNOVA-TIVENESS	DISCOM-FORT	INSECU-RITY
OPTIMISM	10	0,950	0,950	*0.656*			
INNOVATIVENESS	7	0,936	0,937	0,006	*0.680*		
DISCOMFORT	10	0,946	0,946	0,001	0,072	*0.638*	
INSECURITY	9	0,919	0,920	0,064	0,038	0,001	*0,564*

The value written in italic of the main diagonal is AVE, while the values under the main diagonal are the square of the correlation estimation between the 2 constructs. From the table above it can be seen that all latent constructs have alpha Cronbach and CR statistics which are all greater than 0.7. Besides that AVE for all constructs is also quite large, which is all above 0.5. Thus it can be concluded that all constructs are declared reliable, measured by each indicator. Each construct is stated to have fulfilled discriminant validity when the construct is completely different from other constructs, namely if the indicators do not show high inter correlations with other indicators that measure different constructs. Discriminant validity can be shown by comparing the AVE for 2 constructs with the square of the correlation between the two constructs. Discriminant validity is fulfilled when AVE for both constructs are greater than the estimate of the square of the correlation of the two constructs (Hair et al, 2014).

Based on the table above, it can be seen that AVE of each construct is much greater than the square of the estimated correlation between a construct and the others. For example, the AVE construct OPTIMISM is 0.656, and this value is far greater than the square of the estimated correlation between the OPTIMISM construct and other constructs, which is INNOVATIVENESS (0.006), DISCOMFORT (0.001), and INSECURITY (0.064).

There were several inputs from FGD participants, including:

1. Coaching is needed from relevant party in connection with the development of this technology so that business player can be more competitive
2. More in-depth study related to the advantages and disadvantages of the use of information technology that continues to grow

V. CONCLUSION

From the research that has been done, it can be drawn the conclusion as follows:

1. The low competitiveness of creative industries in the global market is due to the low level of information technology usage that is limited to the domestic market
2. Ready to adopt information technology that is predicted to facilitate easy use and perception usability, character of innovation, optimism and insecurity.
3. Potential development of creative industry is very big, so it need assistance and supervision from various parties involved
4. Based on the FGD, we explored various problems from creative industry in adopting information technology with its various advantages and negative effects on the adoption of information technology.

LIMITATION

Limitations of this study are as follows:

1. The object of research is a creative industry that is diverse in industry sector, so that the focus is not supported by deep explorative study
2. Focus only on the Central Java region therefore it doesn't provide condition of other region

SUGGESTION

1. Further research should meet the coverage of research findings.
2. The results of this study after reverification and established implementation methodology, can be used by companies for the adoption of information technology in obtaining competitive advantage

VI. ACKNOWLEDGEMENT

We would like to give thanks to Direktur Penelitian dan Pengabdian Masyarakat (DPRM) Kemenristek Dikti. for funding this study.

VII. REFERENCES

Aritenang,A,F. (2013) Unfolding the process of a Creative City, MPRA Paper No. 48629.

Berg,S.H, and Hassink,R (2013) Creative industries from an evolutionary perspective: A critical literature review, *Papers in Evolutionary Economic Geography, Urban and Regional Research Centre Ultrecht Univerisity*.

Chanyagorn,P, and Kungwannarongkun,B, (2011) ICT Readiness Assesment Model for Public and Private Organisations in Developing Country*; International Journal of Information and Education Technology, Vol. 1, No. 2,*

Departemen Perdagangan Republik Indonesia. (2008). Pengembangan Ekonomi Kreatif Indonesia 2025: Rencana Pengembangan Ekonomi Kreatif Indonesia 2009-2015. Jakarta: *Kelompok Kerja Indonesian Design-Power, Departemen Urusan Regional* .

Fitriati,R, and Rustanto A (2013) The Mapping of Small and Medium Creative Industries in Depok in Preparation of Regional Competitiveness; *American Journal of Economics* 2013, 3(1): 52-61

Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E., and Tatham, R.L. (2006), Multivariate Data Analysis. 6th ed., Pearson Education, Inc., New Jersey.

Hourali,M.,Fathian M.,Montazeri,A. (2008) A Model for E Readiness Assesment of Iranian Small and Medium Entreprises*; Journal of Faculty of Engineering, Vol. 41, No. 7. Feb. 2008, PP. 969-985*

Kirori,Z and Achieng, M.(2013) Assessing the readiness by SMEs and financial institutions in the establishment of an integrated ICT infrastructure for financial transactions in Kenya*; International Journal of Intelligent Information System Vol.2, No.2.*

Kumari, Neeraj (2011) Balanced Scorecard for Superior Organizational Performance*; European Journal of Business and Management ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol 3, No.5.*

Naomi,P (2012) The Dynamics of Competitiveness in Creative and Manufacturing Industries in the Indonesia Stock Exchange (IDX) of Pre and Post Crisis, *International Journal Management Business Res.,2(1),51-58*

Porter, M. (1990). The Competitive Advantage of Nations. Macmillan, New York.

Fariba Salek Ranjbarzadesh, F,S; Biglu,M,H.,, Susan Hassanzadeh,S, Safae,N, Saleh,P (2013) E-Readiness Assessment at Tabriz University of Medical Sciences ; Res Dev Med Educ, 2013, 2(1), 3-6

Setyorini,C,T.,Pinasti,M.,Rokhayati,H., (2013) Strengthening the Internal Factors of Batik Cluster SMEs in Indonesia *:* A Case of Six Districts in South – Central Java ; *International Journal of Business, Humanities and Technology Vol. 3 No. 1*

Sekaran, Uma . (2000). Research Methods For Business: A Skill-Building Approach, John Wiley&Sons.Inc. Third Edition, New York

Wegmann G. (2008). The balanced scorecard as a knowledge management tool : a French experience in a semi- public insurance company*; The ICFAI Journal of Knowledge Management,* Vol.6,no,3,p 22-38

Wingwon, Boonthawan, (2012), Effects of Entrepreneurship, Organization Capacity, Strategic Decision Making, and Innovation towards Competitive Advantage of SMEs Enterprises, *Journal of Management and Sustainability* Vol.2 No.1.