

THE ROLE OF PSYCHOLOGICAL CAPITAL IN GOVERNMENT ORGANIZATION PERFORMANCE SUSTAINABILITY

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ABSTRACT

Every government organization's Basic and natural goal is to maintain sustainability from generation to generation. One of the important things that impact the sustainability of a government organization is the psychological capital. A good relationship, independently or together, between self-efficacy, resilience, optimism, and hope has been proven to influence Growth, Development, and Productivity as advances for the Government Organization. A person with good psychological capital is assumed to be able to provide maximum effort and produce creative behavior to achieve set goals. This study aims to identify the role of psychological capital in the economic sustainability of government Organizations. This study uses a quantitative approach with an explanatory study design. The results of this study found that self-efficacy has a vital role in determining the economic sustainability of government Organizations, causing a more significant increase in the economic sustainability of government Organizations compared to self-efficacy; moderation of hope plays a vital role in increasing the influence of self-efficacy on economic sustainability and optimism which functions as a moderating variable that increases the impact of resilience on the economic sustainability of government Organization substantially.

Keywords: Psychological Capital, Family Firm Sustainability, Family Firm Values

INTRODUCTION

A family business is organized entirely in management, control, and ownership regulated by the owner's family so that the successor generation's role in the sustainability of the government Organization is significant (Garcia et al., 2019). From a behavioral perspective, a government Organization can be defined as a business that is regulated and managed to pursue a business vision owned by the owner or majority owner controlled by a family member or a small part of the same family to run it can further ensure the sustainability of the government Organization across generations (Cherchem, 2017).

In the "*Sustainability Government Organization Theory (SFBT)*" developed by Stafford et al. In 1999, it was shown that two main factors affect the sustainability of government Organization life: the first side is related to business, and the other side is related to the family, for which both things must be carried out in a mutualistic symbiosis (Stafford et al., 1999). Dobson & Swift (2008) state that a business can be called a government Organization when the same family member owns a business. They usually own more than half of the shares, the same family member controls the business, and the ownership and management can be passed from generation to generation.

Placing a family on the board of directors is a must for a family to meet one of the criteria to be a family business (Woodfield & Husted, 2017). In a sustainable Family business where family members control the manager (management), it is expected that the descendants of the family will follow in their footsteps later as managers (Michel & Kammerlander, 2015). Bhatt & Bhattacharya (2017) state that the definition of a family business is based on ownership, management, control structures, and intergenerational transitions. Innovation is essential in a family business to win competition, improve performance, develop the organization, and anticipate the future.

Chanchotiyon and Asavanant (2020) conveyed the reasons for family members' involvement in corporate governance. They both stated that several things can be highlighted because they are the advantages of family members that others may not have or lack if they are involved in the management of the family business, including:

- 1) As parties who already know each other and know each other's backgrounds and abilities, experiences, and networks, the family members involved in the company's governance have trust to be able to rely on each other;
- 2) It will be easier for family members to create a culture to share knowledge and experience so that a circle or learning curve can be created;
- 3) Emotional strength and solid emotional bonds both between family members and the company and between one family member and another family member; better knowledge and understanding of the company, the company's environment, corporate culture, and the company's challenges; and
- 4) Can avoid structural rigidity, not too bureaucratic and impersonal, so that it can create a business environment that has the advantage of a high degree of flexibility and decision-making can take place quickly

On the other hand, striving for economic progress, social values, achievements, and the family environment, a family business is also faced with an ever-changing business environment. Research conducted by Alonso et al. (2018) found that family businesses will face rapid and dynamic environmental changes in their work environment. Family businesses need innovations aiming at least efficiency, obtaining added value, and other values such as network expansion and ensuring supply chain stability.

Kotlar and Chrisman (2018) also explained that at least 3 things would get severe implications of change management in the family business, including 1.) In a government Organization, the owner has other goals besides economic goals; 2.) The involvement of family members in both governance and management organizational structure, which, of course, will remain the determinant and goal of every policy; 3.) The cash behavior of the family business has been embedded and created as an interaction and social behavior. Companies that want to innovate and offer new products and services must develop positive psychological capital among their employees. This has been proven to positively impact various aspects related to employees, such as commitment and job satisfaction (Tang *et al.*, 2019).

In family business, there will be complicated relationships due to problems with family involvement, family influences, or the centering of family business goals on non-economic factors (JJ Chrisman et al., 2012). This causes leadership in a family business not to determine the company's course, and the family factor is one of them, so it can be understood if family character contributes to the company's performance. This is understandable, considering that kinship in a family business can function as an ecosystem that can produce a collection of resources and skills that lead to an advantage that a family business can utilize. Social resources can produce social interaction and corporate behavior in the family, producing economic and non-economic advantages. The combination of positive family business behavior characteristics is called psychological capital, which has 4 (four) components: self-efficacy, hope, optimism, and resilience. The reciprocal relationship between family and psychological capital will lead to family capital that generates profits and wealth (Habbershon; Williams and Macmillan; Pearson et al.; Tokarczyk; Hansen; Green and Down; Luthans et al. on René van Wyk 2013).

Practical measures for employees' psychological capital must be considered, as this will ultimately improve their performance and innovative behavior (Chiyem & Sunday, 2018). The role of predecessors in the sustainability of a government Organization is essential. The approval of the previous generation has a significant influence on the will, which can ultimately affect the competence of the next generation so that they can independently make important decisions related to their business.

A person with good psychological capital is assumed to be able to give maximum effort and produce creative behavior to achieve the goals he has set. Therefore, it becomes appropriate if psychological capital is constructed on organizational change. Psychological capital can be seen as a high-level individual dynamic that accelerates change. Psychological capital can develop new paths (hopes) to achieve their goals and objectives. The research results by Al-Ghazali and Afsar (2020) explain that psychological capital improves employees' mental health and readiness to face organizational changes.

On the other hand, according to Hasan's research, et al. (2020), positive psychological capital significantly influences government organization performance. According to Fischer-Kreer et al. (2021), the study results show a lower positivity rate in family businesses with increased family dominance than in companies with fewer family members in the top management team. This research also shows how important it is to pay attention to the ability of leaders in the implementation of succession in a government Organization (Wang et al., 2019).

According to Parada et al. (2020), researchers and experts agree that the mechanisms and governance of government organizations are different. This is due to the unique character of family businesses regarding their vision, both short-term and long-term, and their goals in preserving wealth for future generations, as well as the goals of family-centered companies. This study aims to identify and analyze the role of psychological capital in the economic sustainability of family businesses.

Psychological capital is one of the views that emerged due to the need for practitioners in organizations to find new approaches to psychological practice in the field of work (Avey *et al.*, 2011). *Psychological capital* refers more to the individual himself and what the individual will become in the future because it focuses on who the individual is; psychological capital can include knowledge, skills, technical abilities, and experience (Jennifer, 2017).

As a development of organizational behavior theory, psychological capital can applicatively measure and develop the psychological capacity of human resources that are positive and, if managed effectively, can improve the performance of organizations (companies) (Luthans on Memili *et al.*, 2013).

In minimal- to medium-scale family businesses, psychological capital is significant and valuable, especially in managing limited human, financial, or other resources. Logically, this is understandable, considering that socio-psychological dynamics such as family ties, togetherness, background, culture, values, and long-term orientation are unique and have their influence. Similar to psychological capital in general, psychological capital in family businesses still involves hope, self-efficacy, optimism, and resilience, which can make the owners of these family businesses more resilient in managing their companies and covering all existing weaknesses and shortcomings. In addition, in the socio-family system, it is more possible to provide a supportive environment for forming strong bonds with internal and external stakeholders, improving financial performance, and preserving the function of creating socio-economic welfare. Choosing *et al.*; (Steier *et al.*; Jancenelle *et al.*; Neubert *et al.*; Le *et al.*, Zellweger & Nason, in E. Memili *et al.* 2020).

Psychological capital is a condition of positive development of a person and is characterized by:

First, we need confidence (self-efficacy) to face challenging tasks and make sufficient effort to succeed. *Self-Efficacy*. Self-efficacy is a belief or confidence in a person's ability to direct motivation and sources of cognition and perform several actions needed to carry out tasks in a given context successfully. People who have self-efficacy have the following characteristics: a.) The individual sets high targets for himself and works on complex tasks; b.) Accepting challenges happily and openly; c.) Have high self-motivation; d) Make various efforts to achieve the targets that have been made; e.) Be persistent when facing obstacles (Shao & Tang, 2019).

Second, positive attribution (optimism) should be made about success in the present and future—optimism. Optimism is a way of interpreting positive events as something that happens due to oneself, is permanent, and can occur in various situations, and interprets adverse events as something that happens due to things outside oneself is temporary, and only occurs in certain situations (Walumbwa *et al.*, 2009).

The person will see positively everything that happens in his life indirectly. If something negative happens, he will remain positive and believe in his future (Avey *et al.*, 2011). A pessimistic person will not pay attention to the positive things in his life and will only focus on assuming that what happened is his fault alone (Bouckenoghe *et al.*, 2015).

Someone optimistic becomes more realistic and flexible. This is because optimism in psychological capital is described as a positive and selfish feeling and becomes a robust learning in terms of self-discipline, analysis of past mistakes, and planning to prevent bad things from happening.

Third, not easily give up on achieving goals and divert the way to achieve goals (*hope*). Hope. Hope is a state of positive motivation based on the process of interaction between (a) agency/willpower; this component is the energy to achieve the goal, and (b) pathways/way power (planning to achieve the goal) to achieve success. What makes hope different from other components is that the hope component has a pathway, a plan to achieve goals, and an agency that explains that hope can be applied to daily life. An individual who has hope will have the ability to find alternative ways to solve the problems of his daily life even though he experiences various obstacles.

Bouckenoghe et al. (2015) state that several ways can be done to increase hope in a person. The thing that needs to be considered is goal-setting. A person needs to know his goal to know what he is aiming for and what he needs to do to achieve it. In addition, the person needs to step in to increase expectations of him. Stepping itself is a way to describe every step that must be taken to achieve the goal (Binz et al., 2017). The last thing that can increase expectations is rewards. Rewards can encourage a person to achieve his expectations so that he will be motivated to work (Alonso et al., 2018); and (4) when faced with problems or obstacles, can survive and return (resiliency), even more so to achieve success (Saqib et al., 2017).

Fourth, resilience can be defined as the ability to bounce back from difficulties, conflicts, and failures, even in positive situations, progress, and increased responsibility. A person with high resilience abilities can learn and develop from the challenges. Abiodun et al. (2019) define resilience as a phenomenon with a positive adaptation pattern in complex and risky situations. Masten and Reed, in Akinbami et al. (2019), explained that the development of resilience itself depends on two factors: resiliency assets and resilience risk. Resiliency assets are characteristics that can be measured in a group or individual and can predict positive outcomes in the future with specific criteria (Akinbami et al., 2019). Resilience risk is something that can increase unwanted outcomes, such as experiences that do not support self-development, such as alcohol addiction, illegal drugs, and exposure to violent trauma (Akinbami et al., 2019; Goswami, 2023).

In a family business, to maintain its sustainability, it is necessary to have a management that can combine the family members' individual values and business values (Danes et al., 2009). For this reason, it takes extraordinary leaders and leadership to maintain a company's sustainability. A leader should be able to read or predict conditions that will come with all the complexities that exist, be able to think about and solve all the complexities of problems, be able to involve and invite various parties to adapt to changes, organizations, and be able to control emotions appropriately. In essence, leaders and leadership are the key to solving and adapting to the complexity of problems within the organization and the organizational environment. Leaders and leaders are organizational navigators and problem

solvers (Louise et al., 2012). Family participation in the company can strengthen the company because family members are usually very loyal and highly dedicated to their family-owned company on an ongoing basis (Hermawan et al., 2020). A company can be referred to as a sustainable family business because of the dominant control of the family over the company (Poza, 2010).

Many family businesses and tiny companies employ others to occupy low-level positions, while the top managers are held by people from within the company's family (Gilding et al., 2015). Family participation in the company can strengthen the company because family members are usually very loyal and highly dedicated to the family-owned company (Hermawan et al., 2020). In a Family business, the manager (management) is controlled by family members, and the family's descendants are expected to follow in their footsteps later as managers (Michel & Kammerlander, 2015).

Setting goals in the family business is complex, and implementation is diminutive. This is because there is a strong interaction between the family and the company to reach a standard point and balance economic and non-economic goals. From each goal itself, there is still the potential for diversity of goals. This incident is often said to be a direct consequence of the overlapping roles, authority, and control at the family level, family to family, and family to company. (Kotlar J. and De Massis A, 2013).

A company is said to be a family business if one of the three factors comprising equity capital, management, and control is entirely dominated by the family or if there is no influence on the other three factors (Henry et al., 2013). According to Maynard *et al.* (2020), sustainability is an action that is focused on 3 (three) pillars in the perspective of a sustainable family business, including:

1. Economic sustainability is the ability to drive growth and efficiency, which includes the following: a.) Growth; b.) Development; c.) Productivity; d.) Principle of benefits
2. Social sustainability is the ability to ensure the welfare of (its employees), which includes: a.) Equality; b.) Empowerment; c.) Accessibility; d) Participation; e.) *Sharing*; f.) Cultural identity; g.) Institutional stability.
3. Environmental sustainability is the ability to improve the sustainability of the environment and natural resources in the long term, maintaining a good ecological balance by reducing risks and preventing environmental impacts, which include: a.) Active participation in creating a good ecosystem; b.) Attention to environmental sustainability; c.) Understanding of biodiversity.

RESEARCH METHOD

Research Approach and Design

This study uses a quantitative approach with an explanatory study design. Quantitative research is a research method that lives up to its name, which requires using numbers, starting from data collection, interpretation of the data, and the appearance of the results. Explanatory research examines 2 causes related to each other or, more commonly, used to determine whether a causal relationship is genuine in determining the truth between

2 or more competing explanators. The population of this study is family members who manage family business.

Setting

Purposive sampling is a technique carried out in this study with criteria containing specific purposes, objectives, and requirements. The sampling technique through *purposive sampling* determines unique characteristics following the research objectives so that it is expected to answer the problems in the research with the following parameters:

1. Have at least 3 years of work experience in a family business at all managerial levels.
2. The number of respondents is 225 persons.
3. The number of companies studied is 40 family businesses established and operating in Indonesia.

Collection Technique and Data Analysis

Instruments are vital in data collection because they are measuring tools and will provide information about what we are researching. In terms of the method, the quantitative data collection technique, according to Creswell (2017), can be done by circulating missionaries. According to Creswell (2017), a questionnaire is a research instrument generally used for research with a quantitative approach that contains statements arranged in such a way about research variables.

The measuring instrument's validity is its accuracy against what is measured, even though it is done repeatedly and everywhere. The content and usefulness of the measuring instrument must be considered when compiling a valid research instrument (Creswell, 2017). Valid and reliable items can be used as research instruments, while invalid and unreliable items are issued and not used in the list of questions on the questionnaire (Hair et al., 2010).

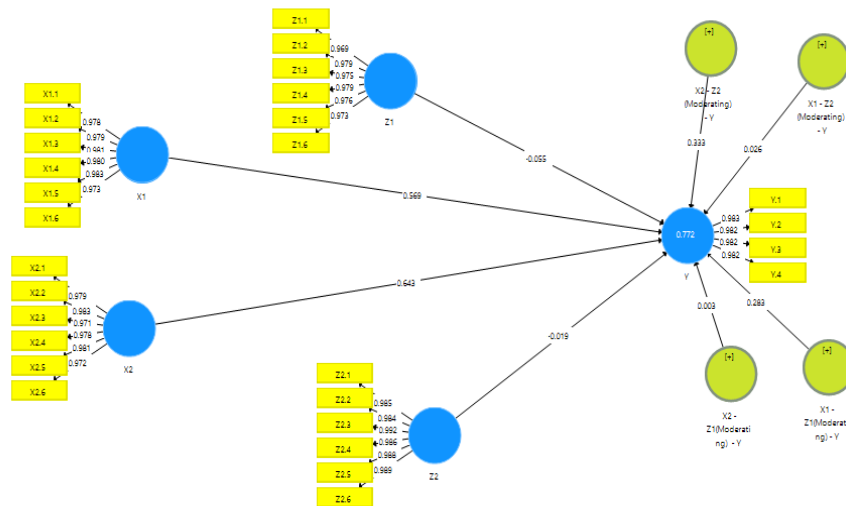
The variables that have been tested are reliable if the value of the Spearman-Brown reliability coefficient obtained is positive and significant. If the reliability coefficient is negative or non-significant, the variable in question is unreliable, so the questionnaire needs to be corrected. Activities in data analysis include grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, performing calculations to answer the formulation of problems, and conducting calculations to test hypotheses that have been proposed (Creswell, 2017).

The data analysis technique used in analyzing the data of this study is Path analysis with multilevel analysis. According to Kock (2020), multilevel refers to hierarchical data structures that are usually subjects in an organizational group. However, it can also refer to repeated actions within a subject or respondents in a cluster, such as in cluster sampling. Multilevel analysis tests the relationship between variables measured at different levels of the stratified data structure (Paruchuri et al., 2018).

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RESULT AND DISCUSSION

Validity and Reliability Test



In this study, the validity and reliability test of the construct was carried out to ensure that the instrument used was able to measure the concept in question accurately and consistently. This test includes several essential components: Outer Loadings, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). The results of this test are presented in the table below :

Konstrak	Indikator	Outer Loadings	Cronbach's Alpha	Composite Reliability	AVE
X1	X1.1	0.978	0.991	0.993	0.958
	X1.2	0.979			
	X1.3	0.981			
	X1.4	0.980			
	X1.5	0.983			
	X1.6	0.973			
X1 - Z1 (Mod.)	X1 * Z1	1.000	1.000	1.000	1.000
X1 - Z2 (Mod.)	X1 * Z2	1.000	1.000	1.000	1.000

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X2	X2.1	0.979	0.991	0.992	0.955
	X2.2	0.983			
	X2.3	0.971			
	X2.4	0.978			
	X2.5	0.981			
	X2.6	0.972			
X2 - Z1 (Mod.)	X2 * Z1	1.000	1.000	1.000	1.000
X2 - Z2 (Mod.)	X2 * Z2	1.000	1.000	1.000	1.000
Y	Y.1	0.983	0.988	0.991	0.965
	Y.2	0.982			
	Y.3	0.982			
	Y.4	0.982			
Z1	Z1.1	0.969	0.990	0.992	0.951
	Z1.2	0.979			
	Z1.3	0.975			
	Z1.4	0.979			
	Z1.5	0.976			
	Z1.6	0.973			
Z2	Z2.1	0.985	0.995	0.996	0.975
	Z2.2	0.984			
	Z2.3	0.992			
	Z2.4	0.986			
	Z2.5	0.988			
	Z2.6	0.989			

The outer loading values for each indicator in the model are above the recommended threshold of 0.7, indicating that each indicator significantly contributes to the latent variable. For example, for variable X1, the value of outer loadings ranges from 0.973 to 0.983, indicating that these indicators have sufficient strength in explaining the X1 construct. Likewise, other variables, such as Y, Z1, and Z2, have high outer loading values, indicating strong indicator validity.

The reliability of the construct was tested using two primary measures: Cronbach's Alpha and Composite Reliability. Cronbach's Alpha is used to assess the internal reliability of the construct, and the results show that all Cronbach's Alpha values are more significant than 0.7, which indicates good internal reliability. For example, Cronbach's Alpha value for construction X1 is 0.991, indicating that all indicators in that construct have excellent internal consistency.

Composite Reliability is also used to evaluate a construct's internal consistency. All Composite Reliability values are above 0.7, with the highest values reaching 1,000 for some moderated constructs such as X1 - Z1 (Mod.) and X2 - Z2 (Mod.). This shows that the consistency between the indicators in this construct is very high, strengthening the model's validity.

The convergence validity was tested using the Average Variance Extracted (AVE) value. An AVE value greater than 0.5 indicates that the construct can capture more than 50% of the variability its indicators describe. In this study, all constructs had an AVE value above 0.5, which indicates that convergent validity has been met. For example, the X1 construct has an AVE value of 0.958, which means that its indicators explain more than 95% of the variability in the construct. The highest AVE values are found on moderated constructs, such as X1 - Z1 (Mod.), with a value of 1,000, which indicates that the model can capture all the variability in that construct.

Based on the validity and reliability test results, it can be concluded that all the constructs in the model have excellent validity and reliability. The high value of outer loadings, strong construct reliability (with Cronbach's Alpha and Composite Reliability above 0.7), and adequate convergence validity (AVE above 0.5) indicate that the model used in this study is reliable for measuring the latent constructs studied. These results reinforce the belief that the research instrument has been well-designed and operationalized to test further research hypotheses.

Konstrak	X1	X1 - Z1 (Mod.)	X1 - Z2 (Mod.)	X2	X2 - Z1 (Mod.)	X2 - Z2 (Mod.)	Y	Z1	Z2
X1	1.000			0.049			0.495	0.046	0.090
X1 - Z1 (Mod.)	0.062	1.000	0.005	0.159	0.047	0.030	0.121	0.102	0.060
X1 - Z2 (Mod.)	0.030	0.005	1.000	0.095	0.033	0.057	0.064	0.055	0.105
X2	0.049	0.159	0.095	1.000	0.136	0.016	0.581	0.013	0.104

X2 - Z1 (Mod.)	0.147	0.047	0.033	0.136	1.000	0.048	0.024	0.102	0.149
X2 - Z2 (Mod.)	0.099	0.030	0.057	0.016	0.048	1.000	0.274	0.154	0.036
Y	0.495	0.121	0.064	0.581	0.024	0.274	1.000	0.151	0.092
Z1	0.046	0.102	0.055	0.013	0.102	0.154	0.151	1.000	0.003
Z2	0.090	0.060	0.105	0.104	0.149	0.036	0.092	0.003	1.000

The recommended HTMT value is less than 0.90, indicating that the construct has sufficient discriminatory validity. All HTMT values are below the 0.90 threshold, meaning each construct in the model has good discriminatory validity. This suggests that the different constructs in the model are not significantly correlated, which reinforces the interpretation that each construct measures something significantly different. The relationship between X1 and Y has an HTMT value of 0.495, which indicates a moderate relationship between these two variables but is still within the accepted. The relationship between X2 and Y has a higher HTMT value of 0.581 but remains below 0.90, which indicates that despite the relationship between these variables, the construct still has sufficient discriminatory validity.

Variabel Bebas	f ² (Ukuran Efek)
X1	1.353
X1 - Z1 (Moderasi) - Y	0.284
X1 - Z2 (Moderasi) - Y	0.003
X2	1.702
X2 - Z1 (Moderasi) - Y	0.000
X2 - Z2 (Moderasi) - Y	0.432
Z1	0.012
Z2	0.001

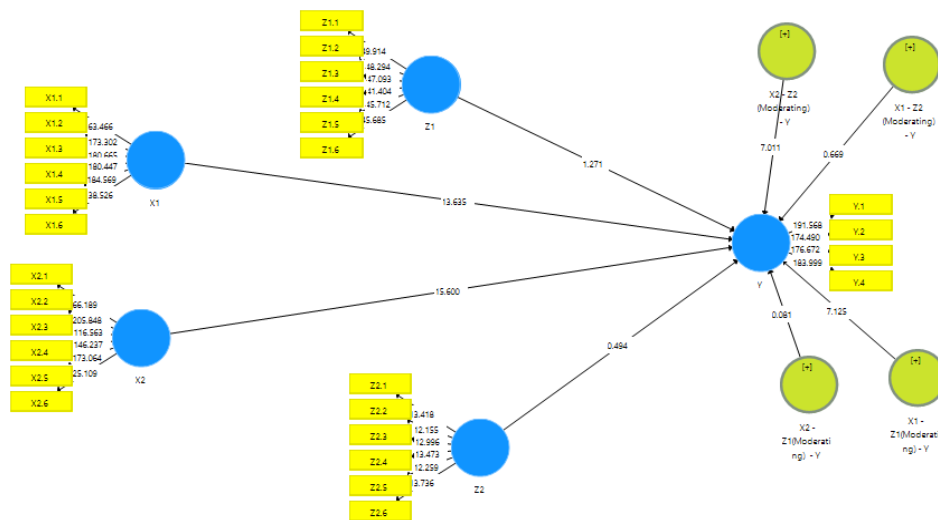
X1 has an effect size of 1.353, significantly influencing the Y variable. X2 also has a significant effect size of 1.702, indicating that X2 makes a decisive contribution in influencing the Y variable. The moderation interaction between X1 - Z1 and Y shows a fairly significant effect size of 0.284, while moderation between X1 - Z2 has only a minimal effect of 0.003, indicating that this moderation effect has almost no significant impact on the Y variable. Moderation X2 - Z1 showed no significant effect ($f^2 = 0.000$), but moderation X2 - Z2 gave a more significant effect with a value of 0.432, which showed a fairly substantial effect. The magnitude of the effect of Z1 and Z2 on Y is minimal, with values of 0.012 and 0.001, respectively, indicating that the direct influence of these moderation variables on the dependent variables is feeble.

Variable Dependent	R ² (R-Square)	R ² Adjusted
Y	0.772	0.764

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The R^2 for variable Y is 0.772, meaning that 77.2% of the variation in variable Y can be explained by the independent variable (X1, X2) and moderation interactions in the model. This value shows excellent explanatory power, indicating that the model has a relatively strong predictive ability for dependent variables. R^2 Adjusted (0.764) corrects the number of free variables in the model. This value close to R^2 indicates that the explanatory results are not too affected by the complexity of the model, ensuring that the selected independent variable explains most of the variability in Y.



The path coefficient of 0.569, with a t-statistics value of 8.531 and a p-value of 0.000, shows that self-efficacy significantly influences the economic sustainability of family businesses. The self-efficacy variable makes a strong and positive contribution to the dependent variable. Thus, an increase in self-efficacy will increase the economic sustainability of the family business. This shows that the factors represented by self-efficacy have an essential role in determining changes in the economic sustainability of a family business.

The effect of resilience on the economic sustainability of family business is also significant, with a coefficient of 0.643, t-statistics 9.572, and p-value of 0.000. This means that resilience contributes more to explaining the economic sustainability variable of a family business than self-efficacy, which shows that resilience is a strong predictor in influencing the dependent variables of the economic sustainability of a family business. This positive influence indicates that an increase in resilience will lead to a more significant increase in the economic sustainability of the family business compared to self-efficacy.

The relationship between self-efficacy and economic sustainability of family firms moderated by expectations showed a significant effect with a path coefficient of 0.283, t-

statistics 2.712, and p-value of 0.007. This shows that expectations strengthen the relationship between self-efficacy and the economic sustainability of a family business. In other words, when the interaction between self-efficacy and expectations occurs, the impact of self-efficacy on the economic sustainability of the family business increases. Hence, the expectation moderation variable plays a vital role in increasing the influence of self-efficacy on the economic sustainability of the family business.

Moderation between resilient and optimistic also showed a significant influence with a path coefficient of 0.333, t-statistics of 3.187, and p-value of 0.002. This shows that optimism strengthens the influence of resilience on the economic sustainability of family business. With this moderation, the effect of resilience on the economic sustainability of the family business is strengthened, showing that optimism functions as a moderation variable that substantially increases the impact of resilience on the economic sustainability of a family business.

The effect of moderation between self-efficacy and optimism on the economic sustainability of the family business was insignificant, with a coefficient of 0.026, t-statistics 0.304, and p-value of 0.761. This shows that the interaction between self-efficacy and optimism does not significantly influence the economic sustainability of the family business. Thus, optimism is not an effective moderator in the relationship between self-efficacy and the economic sustainability of a family business.

The moderation of resilience and expectations for the economic sustainability of the family business was also insignificant, with a coefficient of 0.003, t-statistics of 0.045, and p-value of 0.964, which showed that this moderation did not have a significant effect on the economic sustainability of the family business. This indicates that expectations do not strengthen or weaken the relationship between the resilience and economic sustainability of the family firm.

The direct influence of expectations and optimism on the family business's economic sustainability was insignificant, with small and negative coefficient values of -0.055 and -0.019, respectively, and p-values above 0.05. This shows that hope and optimism do not directly contribute to the dependent variables of the family business's economic sustainability. Therefore, their influence is more relevant as a moderation variable than as an independent variable that directly affects the economic sustainability of the family business.

From the direct effects analysis results, it can be concluded that the variables of self-efficacy and resilience significantly influence the dependent variables of economic sustainability of the family business directly. In addition, the moderation of optimistic self-efficacy – expectation and resilience – also showed significant effects, indicating that the two moderators strengthened the influence of the independent variable on the dependent variable. Meanwhile, other moderations did not have a significant effect, and the expectation moderation and resilience variables did not directly affect the economic sustainability of the family business. These results provide important insights into the relationship between independent and dependent variables and how moderation variables can amplify or alter

these influences, thus providing further direction for developing more complex prediction models.

CONCLUSION

This study's significance of self-efficacy and sustainability performance is essential to the literature, especially for entrepreneurship, family enterprises, and small and medium-sized enterprises. The entrepreneur's belief in their abilities will contribute to increasing dedication to achieving their goals or targets.

Suppose an entrepreneur has a strong, resilient spirit. In that case, all dimensions are more accessible to affect performance improvement, especially for entrepreneurs who tend to face the possibilities of complex conditions that require creativity to find solutions. All of these attitudes will exploit resilience to a better level.

For future research, more in-depth research is needed to determine why the interaction between self-efficacy and optimism does not make a meaningful contribution to influencing the economic sustainability of family businesses. Thus, optimism is not an effective moderator in the relationship between self-efficacy and the economic sustainability of a family business. Moreover, does hope not strengthen or weaken the relationship between family firms' resilience and economic sustainability? It is true that they are hopeful and do not significantly contribute to the dependent variable Y. Therefore, their influence is more relevant as a moderation variable than as an independent variable that directly affects the economic sustainability of the family business.

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