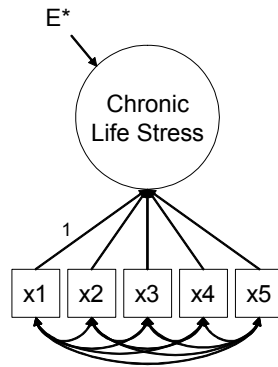


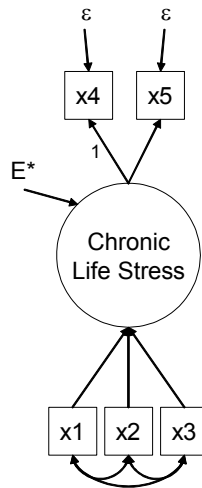
Figure 8.3

Examples of Unidentified and Identified Models with Formative Indicators

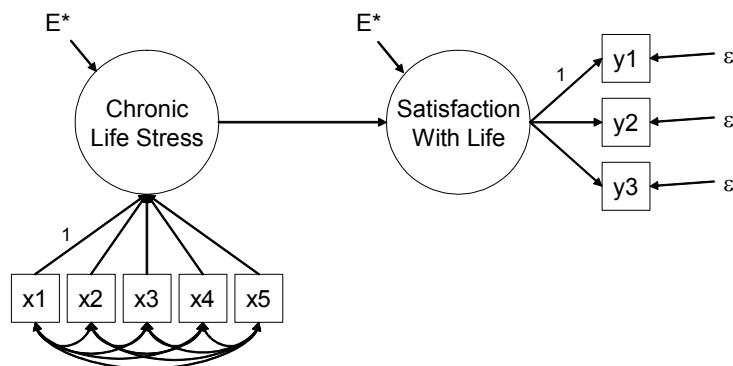
Model A: Single Construct Defined Solely By Formative Indicators (Unidentified)



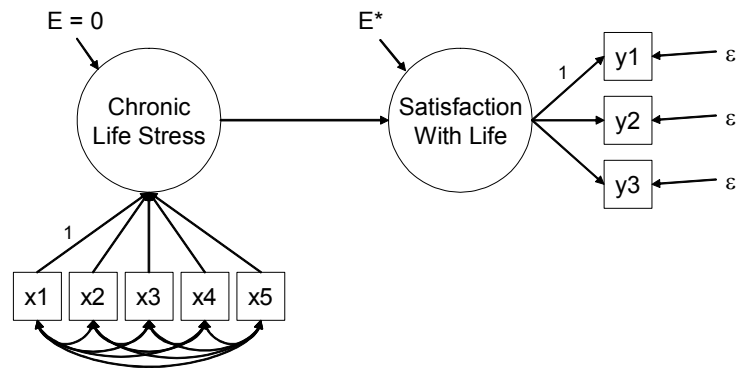
Model B: Single Construct Defined By Formative and Reflective Indicators (Identified)



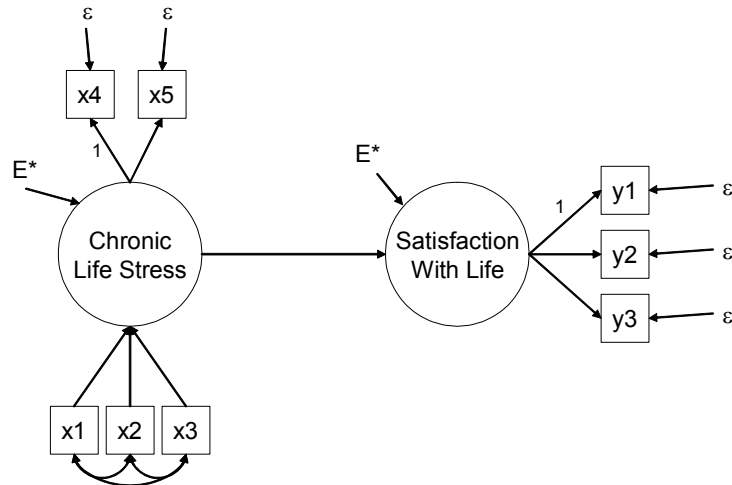
Model C: Formative Indicator Construct Predicting a Reflective Indicator Construct (Unidentified)



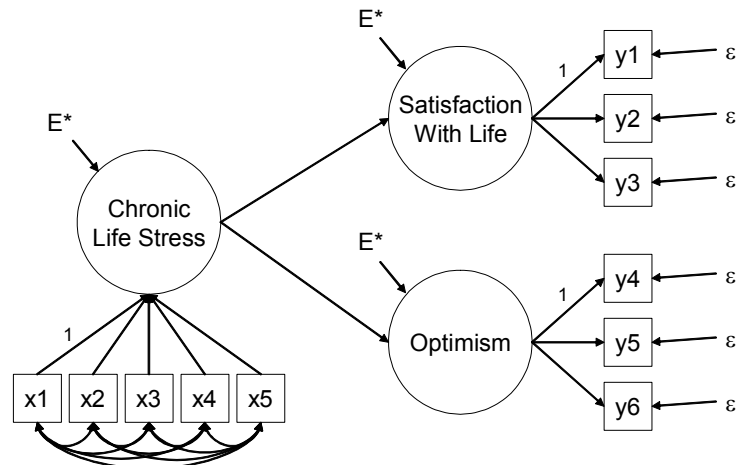
Model D: Formative Indicator Construct Predicting a Reflective Indicator Construct (Identified by fixing disturbance of composite latent variable to zero)



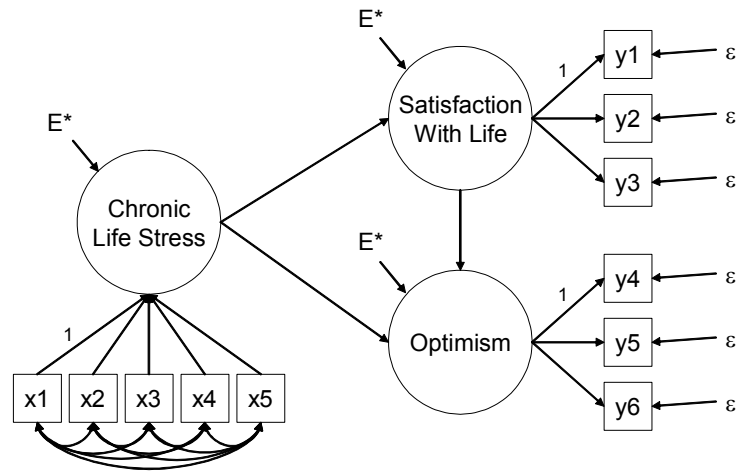
Model E: Formative Indicator Construct Predicting a Reflective Indicator Construct (Identified by including reflective indicators on the latent composite variable)



Model F: Formative Indicator Construct Predicting More Than One Reflective Indicator Construct (Identified)



Model G: Formative Indicator Construct Predicting More Than One Reflective Indicator Construct (Unidentified)



Note. x_1 = financial difficulties; x_2 = job stress; x_3 = interpersonal/familial conflict; x_4 = health problems (self); x_5 = health problems (significant others); y_1 - y_3 = indicators of life satisfaction; y_4 - y_6 = indicators of optimism with life. E^* = disturbance parameter freely estimated; $E = 0$ = disturbance parameter fixed to zero.