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.  x1 = financial difficulties; x2 = job stress; x3 = interpersonal/familial conflict; x4 = health problems (self); x5 = health problems (significant others); y1-y3 = indicators of life satisfaction; y4-y6 = indicators of optimism with life. E* = disturbance parameter freely estimated; E = 0 = disturbance parameter fixed to zero.)