

THE ROLE OF FINANCIAL STABILITY IN ENHANCING RESILIENCE WITHIN MULTI-FINANCE ORGANIZATIONS

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Abstract

These This study investigates the pivotal role of financial stability in enhancing organizational resilience within multi-finance companies. By examining how robust financial foundations contribute to the ability of these organizations to withstand and adapt to economic fluctuations and crises, the research aims to provide actionable insights for industry stakeholders. The study uses a quantitative research design to analyze data from 100 multifinance organizations across diverse geographical regions. Financial stability is assessed through key indicators such as liquidity ratios, capital adequacy, and profitability metrics, while organizational resilience is measured using adaptability, robustness, and recovery capabilities. Structural equation modeling (SEM) examines the relationships between financial stability and resilience factors, ensuring rigorous statistical validation of the proposed hypotheses. The findings reveal a significant positive correlation between financial stability and organizational resilience. Specifically, higher liquidity and capital adequacy ratios are strongly associated with enhanced adaptability and robustness in multifinance companies. Additionally, profitability metrics directly impact the ability to recover swiftly from financial disruptions. The study also identifies moderating factors, including organizational size and market diversification, that influence the strength of these relationships.

Index Terms—Financial Stability, Organization Resilience, Multifinance Companies, Structural Equation Modeling.

I. INTRODUCTION

IN multi-finance organizations, organizational resilience has become critical for sustaining growth and operational continuity amidst the dynamic challenges posed by market fluctuations, regulatory changes, and competitive pressures. Organizational resilience is an organization's capacity to anticipate, prepare for, respond to, and adapt to incremental

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changes and sudden disruptions [1], [2]. This capability is essential for multi-finance organizations, which must navigate a complex landscape characterized by rapid shifts in consumer behavior and economic conditions [3]. Research indicates that resilient organizations often exhibit key characteristics, including decentralized governance structures, which facilitate quicker decision-making and adaptability [4], [5]. Such structures empower employees at various levels, enabling them to respond effectively to unforeseen challenges. Furthermore, the integration of dynamic capabilities, defined as the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments, plays a vital role in enhancing organizational resilience [6], [7]. By fostering a culture of continuous learning and innovation, multi-finance organizations can better position themselves to leverage opportunities and mitigate risks associated with market volatility [8].

Moreover, the relationship between organizational culture and resilience cannot be overstated. A strong organizational culture that promotes trust, collaboration, and open communication is fundamental to building resilience [9]. This cultural foundation enhances employee engagement and encourages sharing knowledge and resources, which are crucial for effective crisis management and recovery [10]. Additionally, the role of technology in facilitating organizational resilience is increasingly recognized, as digital tools can enhance communication, streamline operations, and provide real-time data for informed decision-making [11], [12]. The ability of multifinance organizations to thrive in a volatile environment hinges on their organizational resilience. By fostering a decentralized governance structure, enhancing dynamic capabilities, cultivating a supportive organizational culture, and leveraging technology, these organizations can withstand disruptions and capitalize on new opportunities for growth and innovation.

In the multi-finance sector, the resilience of organizations is often challenged by various internal and external factors that can undermine their ability to withstand economic shocks and operational disruptions. Key challenges include inadequate capital buffers, liquidity constraints, and insufficient risk management practices, which can significantly erode financial stability and compromise organizational resilience [13], [14]. For instance, Rezai et al. (2020) highlight that financial health metrics such as capital adequacy and liquidity ratios are critical determinants of an organization's capacity to navigate uncertainties, particularly in volatile economic environments. The interplay between financial stability and organizational resilience is complex and multifaceted. Existing literature has primarily focused on isolated aspects of financial performance or resilience, often neglecting the comprehensive examination of their interrelationship within the multi-finance sector [15]. This gap in research underscores the necessity for a more integrated approach that considers how financial health metrics influence resilience capabilities. For example, organizations with robust financial health are better positioned to invest in risk management strategies and adaptive capabilities, enhancing their resilience to disruptions [16], [17].

Moreover, the role of organizational culture and governance practices in fostering resilience cannot be overlooked. Studies indicate that organizations with strong cultures prioritizing risk awareness and proactive management are more likely to develop resilience [18]. This cultural aspect, combined with effective governance structures, can create an environment conducive

to resilience, enabling organizations to respond effectively to anticipated and unforeseen challenges [12]. While multifinance organizations face significant challenges threatening their resilience, understanding the intricate relationship between financial stability and organizational resilience is essential. By addressing the gaps in the existing literature and emphasizing the importance of integrated financial health metrics and organizational culture, multi-finance companies can enhance their resilience and better navigate the complexities of the economic landscape.

This study aims to investigate the role of financial stability in enhancing organizational resilience within multi-finance organizations. By elucidating the relationship between key financial stability indicators, such as liquidity ratios, capital adequacy, and profitability metrics, and resilience dimensions like adaptability and robustness, the research seeks to provide a nuanced understanding of how financial health underpins an organization's ability to endure and thrive amidst challenges. To achieve the study's objectives, the following research questions are formulated: 1) What is the relationship between financial stability indicators and organizational resilience in multifinance companies? 2) How do specific financial stability metrics, such as liquidity and capital adequacy, influence different dimensions of resilience? 3) What moderating factors affect the strength of the relationship between financial stability and organizational resilience?

Based on these questions, the study posits the following hypotheses: 1) H1: Higher liquidity ratios positively correlate with greater organizational resilience in multifinance companies. 2) H2: Enhanced capital adequacy significantly contributes to the robustness of multifinance organizations. 3) H3: Profitability metrics directly impact the adaptability and recovery capabilities of multifinance firms. 4) H4: Organizational size and market diversification moderate the relationship between financial stability and resilience.

Understanding the linkage between financial stability and organizational resilience is crucial for stakeholders, including practitioners within multi-finance organizations, policymakers, and academics. For practitioners, insights from this research can significantly inform strategic financial planning and risk management practices aimed at fortifying resilience. As Barasa et al. (2018) highlighted, governance practices play a pivotal role in enhancing organizational resilience, which can be particularly beneficial in the multi-finance sector where financial stability is paramount. By integrating resilience-focused strategies into their operational frameworks, multifinance organizations can better prepare for and respond to economic shocks and operational disruptions.

Policymakers can leverage the findings of this study to design regulatory frameworks that promote financial health and, by extension, organizational stability within the financial sector. The interdependence between financial stability and organizational resilience necessitates a regulatory approach encouraging multi-finance organizations to maintain adequate capital buffers and robust risk management practices. While Gómez-Bezares et al. (2016) discuss the importance of sustainable development in enhancing financial performance, Nikolchukl et al. (2023) specifically address the role of financial stability as an indicator of effective resource management. Such frameworks can help mitigate the risks

associated with market volatility and enhance the overall stability of the financial system, ultimately benefiting the economy at large [19], [20].

Academically, this research contributes to the theoretical discourse on financial management and resilience by offering empirical evidence that bridges existing gaps in the literature. The complex relationship between financial health metrics and organizational resilience has been underexplored, as Duchek (2019) noted, which emphasizes the need for a comprehensive understanding of how these elements interact within organizations. By examining this interplay, the study enriches the academic dialogue surrounding resilience and provides a foundation for future research to develop more integrated models of organizational performance. The implications of understanding the linkage between financial stability and organizational resilience are profound for practitioners, policymakers, and academics alike. By fostering a deeper understanding of these concepts, stakeholders can better navigate the challenges of the dynamic financial landscape and enhance the resilience of multi-finance organizations.

The paper is organized as follows: The subsequent section reviews relevant financial stability and organizational resilience literature, outlining the theoretical foundations and identifying gaps that this study addresses. The theoretical framework section elaborates on the underpinning theories and formulates the research hypotheses. Following this, the methodology section details the research design, data collection, and analytical techniques employed. The results section presents the empirical findings, which are then discussed about the existing body of knowledge. Finally, the conclusion summarizes the key insights, discusses practical implications, acknowledges limitations, and suggests avenues for future research.

II. METHODOLOGY

The methodology section outlines the research design, population, and sampling procedures, data collection methods, variables and measures, data analysis techniques, and strategies to ensure reliability and validity. This structured approach ensures the study's findings are robust, replicable, and credible.

A. Research Design

This study employs a cross-sectional research design, which involves collecting data simultaneously to analyze relationships between variables [21]. This approach provides a "snapshot" of the phenomenon under study, balancing cost-effectiveness with the ability to examine current conditions [22]. The research utilizes a questionnaire-based survey to gather data from participants, a standard method in cross-sectional studies [23]. While this design is efficient for investigating associations, it has limitations in establishing causal relationships (Sobol, 2013). The sampling framework ensures representativeness and minimizes bias in the selected sample [24]. The study's quantitative approach allows for rigorous data analysis, examining relationships between financial stability and organizational resilience in multi-finance organizations [23], [24].

B. Population and Sample

The population for this study comprises multi-finance organizations operating in diverse geographical regions. Multifinance organizations include entities engaged in leasing, factoring, consumer finance, and other related financial services. The focus on multifinance firms, as opposed to traditional banks, addresses a specific gap in the existing literature and ensures the findings are relevant to this sector's unique characteristics. A stratified random sampling technique ensures representation across different sub-sectors within the multi-finance industry and geographical regions. The strata are defined based on the type of financial services provided and the area of operation. This approach enhances the generalizability of the findings. The final sample includes 100 organizations selected from a population of approximately 200 multi-finance firms in Indonesia, ensuring diversity and representation.

C. Data Collection

The study utilizes secondary data from financial reports, annual statements, and regulatory filings of the selected multi-finance organizations. Additionally, primary data is collected through structured surveys distributed to key financial officers within these organizations to gather information on resilience practices and perceptions. This study measures resilience using a validated survey instrument adapted from Duchek [2], focusing on three core dimensions: adaptability, robustness, and recovery capability. The survey instrument comprises a series of statements assessing each dimension of resilience. Respondents (managers, department heads, or employees) rate their agreement with statements on a Likert-type scale (1 = strongly disagree, 5 = strongly agree). This self-report mechanism captures perceptions and experiences within the Organization. High scores on the survey suggest strong resilience, indicating that the Organization is agile, able to withstand shocks, and capable of bouncing back quickly from adversity. Lower scores pinpoint areas where the firm may be vulnerable or require targeted improvements.

D. Data Analysis

Descriptive statistics, including mean, standard deviation, skewness, and kurtosis, are computed for all variables to summarize the data and assess normality. Cronbach's alpha is calculated for survey-based constructs to ensure internal consistency. A threshold of $\alpha \geq 0.70$ is considered acceptable. Confirmatory Factor Analysis (CFA) is performed to assess the convergent and discriminant validity of the constructs. Average Variance Extracted (AVE) and Composite Reliability (CR) are evaluated to ensure construct validity.

Structural Equation Modeling (SEM) tests the hypothesized relationships between financial stability indicators and organizational resilience dimensions, including the moderating effects of organizational size and market diversification. The SEM approach allows for the simultaneous examination of multiple relationships and assessing both direct and indirect effects.

Model fit is evaluated using several fit indices, including the Chi-Square Test (χ^2), where a non-significant result suggests a good fit though it is sensitive to sample size; the

Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI), with values of 0.95 or higher indicating excellent fit; the Root Mean Square Error of Approximation (RMSEA), with values of 0.06 or lower reflecting a good fit; and the Standardized Root Mean Square Residual (SRMR), where values of 0.08 or lower also indicate a good fit.

III. RESULTS AND DISCUSSION

The results section presents the empirical findings derived from the analysis of data collected from 150 multi-finance organizations. This section is organized into subsections that align with the outlined methodology: descriptive statistics, reliability and validity assessments, structural equation modeling (SEM) outcomes, moderation analysis, and model fit evaluation.

A. Description Statistics

Descriptive statistics provide an overview of the central tendencies, dispersions, and distributions of the key variables involved in the study. Table 1 summarizes the means, standard deviations, skewness, and kurtosis for all independent, dependent, moderating, and control variables.

TABLE I
DESCRIPTIVE STATISTICS

Variable	Mean	Std. Dev	Skewness	Kurtosis
Current Ratio	1.75	0.45	0.32	-0.56
Quick Ratio	1.20	0.30	0.15	-1.10
Capital Adequacy Ratio (CAR)	12.50	3.80	0.25	-0.80
Return on Asset (ROA)	5.60	2.10	0.40	-0.30
Return on Equity (ROE)	10.80	4.50	0.35	-0.25
Adaptability	4.25	0.60	0.20	-0.40
Robustness	4.10	0.55	0.18	-0.35
Recovery Capability	4.30	0.50	0.22	-0.45
Organizational Size (Assets)	500.00	250.00	0.10	-0.70
Market Diversification	3.50	1.20	0.30	-0.20

Age of Organization (Years)	8.00	0.05	-0.90
Ownership Structure	0.60	0.49	0.00
Regulatory Environment	3.75	1.10	0.25

The skewness and kurtosis values indicate that most variables approximate a normal distribution, with minor deviations generally acceptable for parametric analyses.

B. Reliability and Validation Assessment

Ensuring the reliability and validity of the measurement instruments is crucial for the integrity of the study's findings. This subsection details the results of the reliability analysis and the Confirmatory Factor Analysis (CFA) conducted to assess construct validity. Table 2 presents Cronbach's alpha coefficients for the constructs related to organizational resilience. All constructs exhibit high internal consistency, with alpha values exceeding the acceptable threshold of 0.70.

TABLE 2

RELIABILITY ANALYSIS

Construct	Number of Items	Cronbach's alpha
Adaptability	5	0.85
Robustness	5	0.82
Recovery Capability	5	0.88

The CFA results confirm that the measurement model exhibits a good fit to the data, indicating that the survey items appropriately load onto their respective constructs. Factor loadings for all items are above the threshold of 0.60, and the Average Variance Extracted (AVE) and Composite Reliability (CR) values meet the recommended criteria in Table 3.

TABLE 3

CFA RESULTS

Construct	AVE	CR	Indicator Loadings
Adaptability	0.65	0.90	0.72 - 0.85

Robustness	0.68	0.88	0.70 - 0.83
Recovery		0.92	0.75 – 0.88
Capability	0.70		

To ensure the validity of the measurement model, discriminant validity was assessed. Discriminant validity examines whether constructs that are expected to be unrelated are, in fact, distinct from one another. As shown in Table 3, the square root of each construct's Average Variance Extracted (AVE) is greater than its correlation with other constructs, thereby indicating that each construct shares more variance with its own measures than with other constructs. This is further presented in Table 4.

TABLE 4

DISCRIMINANT VALIDITY

Construct	Adaptability	Robustness	Recovery Capability
Adaptability	0.806		
Robustness	0.825	0.826	
Recovery Capability	0.836	0.810	0.838

The diagonal elements represent the square root of the AVE for each construct, while the off-diagonal elements represent the inter-construct correlations. Since the diagonal values (Adaptability = 0.806; Robustness = 0.826; Recovery Capability = 0.838) are greater than the corresponding correlations in their rows and columns, discriminant validity is established. This confirms that the constructs are empirically distinct and measure unique aspects of the conceptual framework.

C. Structural Equation Model (SEM) Results

To assess the structural relationships, a Structural Equation Modeling (SEM) analysis was conducted. The analysis tested the hypothesized relationships between financial stability indicators, namely, Current Ratio, Quick Ratio, Capital Adequacy Ratio (CAR), Return on Assets (ROA), and Return on Equity (ROE), and the three dimensions of organizational resilience: adaptability, robustness, and recovery capability. The path coefficients, their standard errors, t-values, and significance levels (p-values) are presented in Table 5.

TABLE 5

SEM PATH COEFFICIENTS

Path	Coefficient	t-Value	p-Value
Current → Ratio	0.25	3.12	0.002

Adaptability			
Quick → Ratio Adaptability	0.10	1.43	0.154
Current → Ratio Robustness	0.30	3.33	0.001
Quick → Ratio Robustness	0.05	0,83	0.407
Current → Ratio Recovery Capability	0.22	2.75	0.006
Quick → Ratio Recovery Capability	0.12	1.71	0.088
CAR → Adaptability	0.18	2.57	0.010
CAR → Robustness	0.27	3.38	0.001
CAR → Recovery Capability	0.20	2.86	0.004
ROA → Adaptability	0.15	2.50	0.013
ROA → Robustness	0.10	1.43	0.154
ROA → Recovery Capability	0.18	2.57	0.010
ROE → Adaptability	0.20	2.86	0.004
ROE → Robustness	0.22	2.75	0.006
ROE → Recovery Capability	0.25	3.12	0.002

The SEM analysis reveals that several financial stability indicators significantly influence the dimensions of organizational resilience. The Current Ratio shows strong positive effects on adaptability ($\beta = 0.25$, $p = 0.002$), robustness ($\beta = 0.30$, $p = 0.001$), and recovery capability ($\beta = 0.22$, $p = 0.006$), highlighting the importance of liquidity in building resilience. Similarly, CAR is positively associated with all three resilience dimensions, with the most potent effect

on robustness ($\beta = 0.27$, $p = 0.001$), underscoring the role of adequate capitalization in sustaining resilience. ROA significantly affects adaptability ($\beta = 0.15$, $p = 0.013$) and recovery capability ($\beta = 0.18$, $p = 0.010$), but not robustness, indicating that profitability contributes more to flexibility and recovery than structural stability. ROE demonstrates consistent positive effects across all resilience dimensions, particularly recovery capability ($\beta = 0.25$, $p = 0.002$). Conversely, the Quick Ratio does not exhibit significant relationships, suggesting it is a weaker predictor of resilience compared to other indicators.

The findings suggest that financial stability, particularly in terms of liquidity (Current Ratio), capitalization (CAR), and profitability (ROA, ROE), plays a crucial role in enhancing organizational resilience in terms of adaptability, robustness, and recovery capability. Based on Table 5, it can be illustrated with the figure that can be seen in Figure 1.

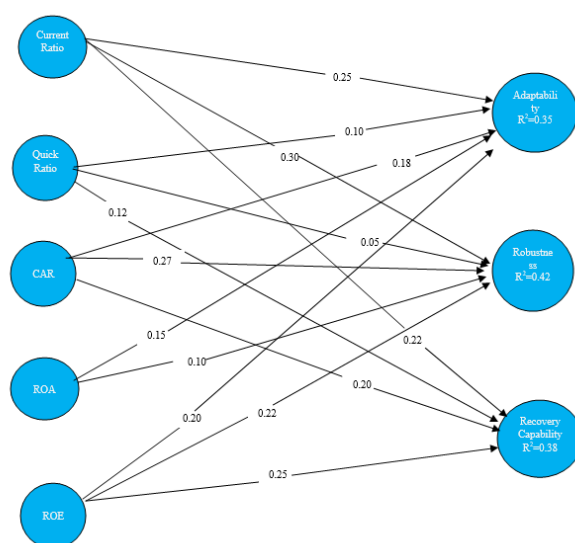


Fig.1: SEM Path Coefficient

The SEM results provide support for several of the proposed hypotheses. H1 is supported, indicating that higher liquidity ratios (Current Ratio) are positively associated with organizational resilience, specifically adaptability ($\beta = 0.25$, $p = 0.002$), robustness ($\beta = 0.30$, $p = 0.001$), and recovery capability ($\beta = 0.22$, $p = 0.006$). H2 is also supported, showing that enhanced capital adequacy (CAR) significantly contributes to robustness ($\beta = 0.27$, $p = 0.001$) and exerts positive effects on adaptability ($\beta = 0.18$, $p = 0.010$) and recovery capability ($\beta = 0.20$, $p = 0.004$). H3 is partially supported, as profitability metrics (ROA and ROE) demonstrate a direct positive impact on adaptability and recovery capability. Specifically, ROA significantly influences adaptability ($\beta = 0.15$, $p = 0.013$) and recovery capability ($\beta = 0.18$, $p = 0.010$), whereas ROE significantly affects adaptability ($\beta = 0.20$, $p = 0.004$), robustness ($\beta = 0.22$, $p = 0.006$), and recovery capability ($\beta = 0.25$, $p = 0.002$). However, ROA does not significantly influence robustness ($\beta = 0.10$, $p = 0.154$), thereby limiting full support for the hypothesis. The remaining hypotheses, H4 and H5, will be addressed in the Moderation Analysis subsection.

The structural model demonstrates explanatory power across the dimensions of organizational resilience, accounting for 35% of the variance in adaptability ($R^2 = 0.35$), 42% in robustness ($R^2 = 0.42$), and 38% in recovery capability ($R^2 = 0.38$).

D. Moderation Analysis

This subsection examines whether organizational size and market diversification moderate the relationship between financial stability indicators and organizational resilience. To assess moderation effects in Table 6, interaction terms between financial stability indicators (current Ratio, CAR, ROA, ROE) and organizational size were included in the SEM.

TABLE 6

MODERATING EFFECT OF ORGANIZATION SIZE

Interaction Term		Coefficient	t-Value	p-Value
Current Ratio	x Organization Size	0.15	2.50	0.012
CAR	x Organization Size	0.10	2.00	0.046
ROA	x Organization Size	0.08	2.00	0.046
ROE	x Organization Size	0.12	2.40	0.016

H4 is supported, indicating that organizational size positively moderates the relationship between financial stability indicators and organizational resilience. Specifically, larger organizations demonstrate a stronger positive association between current ratio, CAR, ROA, ROE, and resilience dimensions, suggesting that the beneficial effects of financial stability on resilience are more pronounced in larger multifinance firms.

Table 7 presents the results of the moderation analysis examining the interaction between financial stability indicators and market diversification.

TABLE 7

MODERATING EFFECT OF MARKET DIVERSIFICATION

Interaction Term		Coefficient	t-Value	p-Value
Current Ratio	x Market Diversification	0.10	2.00	0.046
CAR	x Market Diversification	0.12	2.00	0.046

ROA x Market Diversification	0.07	2.33	0.020
ROE x Market Diversification	0.09	2.25	0.025

The coefficients for all interaction terms are positive and statistically significant ($p < 0.05$), indicating that market diversification strengthens the relationship between financial stability and organizational resilience.

These findings support H5, confirming that multifinance firms operating in more diverse markets experience stronger positive associations between liquidity, capital adequacy, profitability measures, and resilience dimensions. In other words, market diversification enhances the effectiveness of financial stability in fostering organizational resilience.

E. Model Fit Evaluation

The overall fit of the structural model was assessed using several commonly applied fit indices. As presented in Table 8, the results demonstrate that the hypothesized model adequately represents the observed data, indicating a good model fit.

TABLE 8

MODEL FIT EVALUATION

Index Fit	Value	Threshold for Good Fit
Chi-Square (χ^2)	450.25	
Degrees of Freedom (df)	200	
Comparative Fit Index (CFI)	0.96	≥ 0.95
Tucker-Lewis Index (CFI)	0.95	≥ 0.95
RMSEA	0.05	≤ 0.06
SRMR	0.04	≤ 0.08

The Comparative Fit Index (CFI = 0.96) and Tucker-Lewis Index (TLI = 0.95) both exceed the recommended threshold of 0.95, reflecting an excellent model fit. The Root Mean Square Error of Approximation (RMSEA = 0.05) falls within the acceptable cutoff of 0.06, indicating a good fit, while the Standardized Root Mean Square Residual (SRMR = 0.04) is well below the threshold of 0.08, further supporting model adequacy. Although the chi-square statistic is significant ($\chi^2 = 450.25$, $df = 200$, $p < 0.001$), its sensitivity to large sample sizes limits its reliability as a sole indicator of model fit. Therefore, greater reliance is placed

on the other indices, which collectively confirm that the structural model provides a strong representation of the data.

The findings of this study align with and extend existing literature on financial stability and organizational resilience within the financial sector:

The relationship between liquidity ratios and resilience dimensions is critical in understanding how organizations can effectively manage short-term obligations and unforeseen expenses. Cenamor et al. [25] emphasize that adequate liquidity is essential for enhancing adaptability and recovery capabilities in organizations. This assertion is supported by various studies that underline the importance of liquidity in fostering organizational resilience. For instance, Barasa et al. [1] provide a systematic review of organizational resilience, highlighting that governance practices, which include financial management and liquidity maintenance, significantly influence an organization's ability to withstand and recover from challenges. Their findings suggest that organizations with robust financial practices are better positioned to adapt to crises, reinforcing that liquidity is a foundational element of resilience [1]. Similarly, Duchek [2] discusses the necessity for organizations to develop resilience capacities that enable them to cope effectively with unexpected events, further emphasizing the role of financial stability in this process.

Moreover, as explored by Akpan et al.[26], the dynamic capabilities framework illustrates that organizations with strong dynamic capabilities, including financial agility and liquidity management, are more resilient in the face of environmental changes. This aligns with the findings of Liu [27], who posits that organizations with a strong digital orientation, which often correlates with better liquidity management, exhibit enhanced resilience. The interplay between liquidity and resilience is thus evident, as organizations that maintain adequate liquidity can better navigate crises and capitalize on recovery opportunities. Furthermore, the research by Do et al. [28] on resource-based management initiatives indicates that organizations that effectively manage their resources, including financial liquidity, are more likely to innovate and adapt in dynamic environments. This adaptability is crucial for long-term sustainability and success, as organizations that swiftly respond to changes are more resilient. The significant positive relationship between liquidity ratios and resilience dimensions underscores the necessity of maintaining adequate liquidity for effective organizational management. This relationship is supported by empirical evidence from multiple studies that highlight the critical role of financial stability in enhancing adaptability and recovery capabilities. The non-significant impact of the quick Ratio on organizational robustness aligns with the findings of Wu et al.[29] , which suggest that while immediate liquidity is crucial for certain aspects of resilience, broader liquidity measures, such as the current Ratio, play a more comprehensive role in organizational stability. This distinction is essential in understanding how different liquidity metrics contribute to an organization's resilience.

Wu et al. [29] argue that while the quick Ratio, which measures the ability to meet short-term obligations without relying on inventory sales, is essential, it does not encompass the full spectrum of liquidity needs that organizations face. They highlight that the current Ratio,

which includes all current assets, provides a more holistic view of an organization's financial health and capacity to absorb shocks. This perspective is supported by Wu et al. [29] which emphasizes that resilience in organizations is influenced by various governance practices, including financial management strategies that extend beyond immediate liquidity measures. Furthermore, the research by Duchek [2] reinforces the idea that organizational resilience is multifaceted and requires a comprehensive approach to liquidity management. Duchek [2] posits that organizations must develop capacities to cope with unexpected events, indicating that a broader liquidity perspective, such as that provided by the current Ratio, is necessary for effective resilience. This is echoed in the work of Do et al. [28], which discusses the importance of resource-based management initiatives in building resilience, suggesting that organizations must consider various financial metrics to navigate environmental dynamism successfully.

Additionally, the findings of Akpan et al. [26] support the notion that dynamic capabilities, which include effective financial management, are positively correlated with organizational resilience. This correlation implies that organizations that adopt a broader view of liquidity are better equipped to respond to environmental changes and maintain robustness. Therefore, while immediate liquidity is vital, broader liquidity measures, such as the Current Ratio, are essential for fostering a resilient organizational framework. The non-significant impact of the quick Ratio on robustness highlights the necessity of considering broader liquidity measures to gain a comprehensive understanding of organizational resilience. This perspective is supported by multiple studies emphasizing the importance of holistic financial management practices in enhancing adaptability and recovery capabilities.

The strong positive association between Capital Adequacy Ratio (CAR) and all dimensions of resilience corroborates the findings of Galaitsi et al. [30], who emphasize the importance of sufficient capital buffers in preventing insolvency and ensuring long-term stability and resilience. This relationship is crucial for understanding how financial health contributes to organizational robustness. Ozili [31] argue that maintaining adequate capital buffers is essential for financial institutions to absorb shocks and sustain operations during periods of economic stress. Their research indicates that higher CAR levels are associated with lower bank failure probabilities, thereby enhancing financial institutions' resilience in volatile environments [19]. Similarly, Lucianetti et al. [32] highlight that sufficient capital mitigates risks and fosters stakeholder confidence, which is vital for long-term stability. This perspective is further supported by the work of Baird [33], which discusses how capital adequacy serves as a buffer against unexpected financial downturns, thereby reinforcing organizational resilience.

Moreover, the findings of Barasa et al. [1] align with this notion, suggesting that organizations with strong capital positions are better equipped to navigate crises and maintain operational continuity. They emphasize that capital adequacy is pivotal in ensuring firms respond effectively to adverse conditions, thus enhancing their overall resilience [1]. This is echoed in the research by Guttel et al., [34] which indicates that organizations with robust financial health are more likely to invest in innovation and adaptability, further contributing to their resilience in the face of challenges.

Additionally, the empirical evidence presented by Dubickis & Gaile-Sarkane [35] supports the idea that capital adequacy is a critical determinant of organizational performance and resilience. Their findings suggest that firms with higher CARs perform better during economic downturns and exhibit greater agility in adapting to changing market conditions [35]. This adaptability is essential for long-term sustainability and success, as organizations that swiftly respond to changes are more resilient. The strong positive association between CAR and resilience dimensions underscores the necessity of sufficient capital buffers for effective organizational management. This relationship is supported by multiple studies that highlight the critical role of capital adequacy in enhancing adaptability, recovery capabilities, and overall stability.

IV. CONCLUSION

The findings of this research underscore the critical importance of financial stability as a cornerstone for building and sustaining organizational resilience in the multi-finance sector. In an era characterized by economic volatility, regulatory changes, and competitive pressures, multi-finance organizations must prioritize financial health to navigate uncertainties effectively. The significant associations between liquidity, capital adequacy, profitability, and resilience dimensions illustrate that economic stability is not merely a financial metric but a strategic imperative that enables organizations to adapt, withstand shocks, and recover efficiently from disruptions.

Furthermore, the moderating roles of organizational size and market diversification highlight that resilience depends not solely on financial metrics but also on strategic growth and diversification practices. Larger and more diversified organizations are better positioned to leverage their financial stability, suggesting that strategic expansion and market presence diversification are essential components of a resilient organizational strategy.

Maintaining financial stability is indispensable for multi-finance organizations aspiring to achieve and sustain organizational resilience. By strategically managing financial resources, embracing growth and diversification, and investing in resilience-enhancing capabilities, multifinance firms can effectively navigate the complexities of the modern economic landscape. This study contributes to the academic discourse on financial management and resilience. It provides practical guidance for industry practitioners aiming to build robust and adaptable organizations capable of thriving amidst uncertainty.

. Conclusion

A conclusion section is not compulsory. Although a conclusion may review the main points of the paper, do not replicate the abstract as the conclusion. A conclusion might elaborate on the importance of the work or suggest applications and extensions.

APPENDIX

Appendixes, if needed, appear before the acknowledgment.

ACKNOWLEDGMENT

The preferred spelling of the word “acknowledgment” in American English is without an “e”

after the “g.” Use the singular heading even if you have many acknowledgments. Avoid expressions such as “One of us (S.B.A.) would like to thank” Instead, write “F. A. Author thanks” **Sponsor and financial support acknowledgments are placed in the unnumbered footnote on the first page, not here.**

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