Establishing a Valid Instrument to Measure Entrepreneurial Knowledge and Skill

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Abstract - The purpose of this study is to establish a valid measure for entrepreneurial knowledge and skill from the perspectives of low-income households in Malaysia by means of reviewing the depths and progress of relevant entrepreneurial literature. In such effort, the subsequent research examines entrepreneurial skills, market orientation, sales orientation, and networking as components that will act as a set of instruments to measure ‘entrepreneurial knowledge and skill’. Quantitative data were collected from a total of 800 randomly selected household heads across four districts in Kelantan, Malaysia through structured interviews. On the basis of the reliability and validity testing, this study finalized the instruments to 26 items yielding four factors, i.e., entrepreneurial skills (six items), market orientation (eight items), sales orientation (nine items) and networking (three items). Findings of the reflective hierarchical model revealed that networking is the highest contributor towards entrepreneurial knowledge and skill among the low-income households in Kelantan; followed by market orientation, entrepreneurial skills, and sales orientation. It is recommended that future researchers apply and thereby extend the developed measure by cross-examining the instruments presented in this study across different income-level groups underdeveloped and developed nations.

Keywords: Entrepreneurial Skills; Market Orientation; Sales Orientation; Networking

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