

DEVELOPING QUALITATIVE INSTRUMENT TO MEASURE ENTREPRENEUR KNOWLEDGE

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Abstract: *This study aims to produce a qualitative instrument for entrepreneur knowledge. Based on previous research, it was prepared a set of questions to determine the items that make up the entrepreneurial knowledge. Ten informants involved, they are all the entrepreneur. They were asked their opinions regarding the knowledge they need in running a business. The focus group discussion conducted to find the data. The results showed that there are four dimensions of knowledge entrepreneurs namely the level of education with three items statements, functional knowledge with ten items of the statement, the skill with nine items statement and the last is self-confidence with four items statement.*

Keywords: *entrepreneur, knowledge, level of education, functional knowledge, skill, self-confidence.*

The Indonesian government considered the importance of the role of the entrepreneur for the welfare of the nation, as part of efforts to reduce the number of unemployed. For this purpose, various parties are encouraged to produce programs that can help create entrepreneurs. The university is one of the institutions are encouraged to be a bridge for the creation of graduates who have the knowledge and ability to be an entrepreneur. Directorate General of Higher Education initiated the Student Entrepreneurial Program (Program Mahasiswa Wirausaha-PMW) which is expected to create young entrepreneurs from the university were able competitive national, regional and international. Therefore, every university is encouraged to develop a Center for Entrepreneurship and the National Productivity (Pengembangan Pusat Kewirausahaan dan Produktifitas Nasional - P2KPN) and motivate

students to change the way of thinking/culture paradigm of job seekers to the job creators. The university responds to the program in various ways ranging from the establishment of incubator programs, mentoring, additional credits for entrepreneurship courses to synergize the curriculum. These responses aim to answer the needs of the country to increase the entrepreneur.

As a university where the main service is to produce graduates who have the knowledge and skills of a particular field, it is necessary to provide a measuring tool to measure the knowledge possessed by the graduates. If the university is committed to producing graduates who are able to become an entrepreneur, it is necessary to provide a measuring tool to measure the knowledge possessed by the entrepreneur. Therefore, the focus of this study is to discuss the measuring tools to measure the knowledge of an entrepreneur.

LITERATURE REVIEW

Knowledge can primarily be described as something that makes both data and information manageable. It implies that knowledge is the ability to process information and use it as the basis for decision-making and action. Thus knowledge is a combination of the capacity to process information and use it in an action (Beijerse, 2000). Another definition stated by Leonard and Sensiper (1998) that knowledge is relevant and usable information obtained from experienced. According to Mincer (1974) in Lopes (2012), a man's knowledge is formed in his early school years and experiences. Barker III and Mueller (2002) support this statement by saying that a person's knowledge depends on his education and experiences. The learning perspective suggests that the more knowledge a person has, the more capable that person is in making associations and solving problems effectively and accurately (Cohen & Levinthal, 1990); (Eisenhardt & Martin, 2000).

According to Omerzel & Antoncic (2008), there are four components that construct knowledge an entrepreneur, namely: education, functional knowledge, skills and self-confidence. The following will explain each of these components.

Education

Education is accepted as one of the factors that enrich one's knowledge. The higher a person's education is taken, then the more knowledge he has. This is in line with that proposed by Barker III and Mueller (2002), one's knowledge is shaped by his education and experience.

Functional Knowledge

Functional knowledge is a knowledge that is owned by an entrepreneur which can use/function of running a business. Therefore, this functional knowledge refers to knowledge of business management that are generally obtained from the process of both formal and informal education. When referring to the classification of knowledge conveyed by Polanyi (1966) in Beijerse (1999), functional knowledge similar to explicit knowledge also known as know-what knowledge.

Skill

Skill is the ability to perform a particular job. In this study, skills refer to the skills in running a business. Skills are grouped as knowledge because according to Polanyi (1966) in Beijerse (1999) personal or tacit knowledge is extremely important for human cognition, because man actively seeks knowledge through creation or co-creation process and processes the information using his own experience. In the context of classification of knowledge according to Polanyi (1966) in Beijerse (1999), skills is similar to the tacit knowledge that is a very personal understanding.

Self-Confidence

A person with low self-confidence will not be effective in using its knowledge. Therefore, confidence is one dimension determining whether a person has knowledge or not. As stated by Park, Mothersbaugh and Feick (1994) self-confidence as the initial state of certain knowledge. Self-confidence forms knowledge, because it determines a person's belief in doing what he knows.

RESEARCH METHOD

This study was conducted to confirm the dimensions of entrepreneur knowledge to ten entrepreneurs. The method used to confirm is by organizing a focus group discussion. First of all, items of entrepreneur knowledge dimensions developed with reference to the research Omerzel & Antoncic (2008). After that, a discussion guided by the moderator to explore the needed knowledge should own by entrepreneurs in doing business.

For the dimension of education level, there are three items that asked about the perception of informants on the education they already take. Questions explored is how their last education, shaping, influencing and developing the knowledge they have. For functional knowledge there are ten items statement confirmed. These items include their knowledge of the industry they are in, aspects of logistics, quality assurance, marketing, legal, aspects of strategic, organizational management, customer relationship, human resources and financial aspects. Furthermore, to determine the dimensions of the skills there are nine items that were asked include managerial skills, technical aspects of their business-related skills, communication skills, presentation, analytical skills, skills of a forward-looking business opportunity, the skills to work in a team, influencing others and the skills to manage time. As for the dimensions of self-confidence, there are four items in question statement includes the informant's confidence to implement the company's plans, confidence in the success of the company, the company's ability to overcome problems and confidence to face new challenges.

RESULT AND DISCUSSION

After the discussions held with ten informants, it was found that the entire items statement confirmed that knowledge with the four dimensions need to be owned by an entrepreneur in order to successfully run the company. It was found that the latest education adopted by the informants are the factors that shape their knowledge, affect them in making business decision and develop their way in solving the problem. As one example, informant stated that when the informant had to make a business proposal, the reference used is the experience of writing proposals during his lectures at the university.

Functional knowledge with a ten items statement confirmed as the determining factors of entrepreneur knowledge. As indicated by the informant when determining how to use the profit of the company, financial knowledge is crucial, whether earnings will be retained or used for business expansion. Similarly, when the informant wanted to determine the production process, the knowledge of the technical aspects related to production helps them to achieve efficiency and timeliness of production.

Furthermore, the skills also confirmed as the knowledge that help the informant to conduct business. The informant stated that when they want to cooperate with business partners such as investors, suppliers, or customers, communication skills and influence others is very influential in paving their business goals. Likewise, the items on the self-confidence was confirmed to be a factor supporting the informant in running the business. This means that with their confidence, informants

were more confident in running the business. As said by informants that confidence to achieve the planned targets together with the knowledge of doing business is very helpful in achieving the company's goals.

This study successfully demonstrated that there are four dimensions of entrepreneur knowledge. As for the four dimensions are level of education, functional knowledge, skills and self-confidence. These four dimensions are forming the knowledge that an entrepreneur should possess in order to succeed in doing business. Four dimensions were adopted from the research conducted by Omerzel & Antoncic (2008). Likewise, for each item of each dimension is developed from the same research and confirmed in this study.

This study uses a subjective approach, where the informants describe their knowledge based on their own perceptions. In general, knowledge assessment using objective assessments that measure existing knowledge (stored) in a person (Brucks, 1985). However, some studies also conducted an assessment of knowledge with the subjective manner as done by Sitzmann, Ely, Brown, & Bauer, (2010). Although there are differences between the appropriate knowledge assessment whether subjective or objective, research conducted by the Park, Mothersbaugh and Feick (1994) and Brucks (1985), shows that the relative subjective and objective assessments provide the same results. Regardless of the debate about the appropriate assessment, this study suggests that quantitative testing of entrepreneur knowledge. Items statement that describes the four dimensions of entrepreneur knowledge can be

tested by involving an amount of more samples, where data collection can be done through a questionnaire. With quantitative testing, it will be known whether the four-dimension is confirmed as the dimension of the entrepreneur knowledge. It is necessary to be done in order to enhance the entrepreneur's knowledge assessment instruments

CONCLUSION AND SUGGESTION

Conclusion

This study concludes that successful entrepreneurs in doing business require knowledge. It is confirmed qualitatively entrepreneurial knowledge has four dimensions, namely level of education, functional knowledge, skills and self-confidence. Level of education has three items statements describing how the influence of education on the knowledge of a person. Functional knowledge consists of ten items that describe the knowledge required in running a business, skill consists of nine items that contain skills needed in running a business, such as communication skill, technical skill as well as dealing with other parties. While self-confidence is comprised of four statements that describe the informant confidence in managing its business.

Suggestion

Future studies are recommended to conduct qualitative testing on the dimensions of entrepreneurial knowledge. It is advisable to involve a larger number of respondents so the results can complement the findings of this study

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