

## Dynamics of Micro and Small Enterprises Performance in Nigeria: The Effect of Internal Motivation

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### Abstract

To increase the credibility of a results in quantitative investigation, the instrument used in data collection is the most crucial part of the study. However, to get a good result of validity and reliability, researchers need to design and conduct a proper pilot test. The aim of pilot test is to evaluate the level of validity and reliability on the research instrument. To achieve this, a sample of the questionnaire was distributed to experts in the field of management, specifically academicians to make useful comments and inputs on the suitability of the items adapted to measure the constructs. Additionally, the survey method was used to gather response through 50 usable questionnaires administered to micro and small business owner-managers in Kano, the largest commercial center in northern Nigeria, stratified random sampling was applied for data collection. The data was analyzed using SPSS V20. Findings reveal evidence of reliability of the instrument, indicating that all the items are found to be reliable as the Cronbach's alpha values ranges from 0.62 to 0.87.

**Keywords:** Pilot-test, Validity, Reliability, Entrepreneurial Orientation, Islamic Values.

### 1.0 Introduction

Pilot study is a mini version of a research to test validity and reliability of tools, estimation of the rate of events, and valuation of parameters such as the variance of the outcome variable to calculate sample size among others. In the field of management science, it is often referred to as feasibility study, pre-test or pilot test. Pilot test is conducted in an empirical study to validate the items in the survey measurement, especially for quantitative research. Validity and reliability are the two frequently encountered concepts in the measurement and evaluation of constructs and are important for defining and measuring bias and distortion. Validity is use to ensure that the items are actually measuring what they intend to measure while reliability is the level of internal consistency or stability of the measuring device over time (Sekaran & Bougie, 2013). Instituting the validity and reliability of the survey instrument is essential before it could be used in the final research so as to be free from bias and misrepresentation. Validity and reliability are the two widely encountered concepts in the measurement and evaluation of constructs and are important for defining and measuring bias and distortion (Aung et al., 2021).

Validity is described as the effect of an instrument in measuring the construct, it is designed to measure and determines whether the research truly measures what it was intended to or how trustful the research findings are (Hair et al., 2014; Sekaran & Bougie, 2013). Daud et al. (2018) define validity as the extent to which a particular test can be shown to measure a hypothetical construct. The authors argued that the concern is ascertaining whether the latent constructs selected to represent the concept are indeed good

representations. Ghazali (2016) stressed the importance of face validity, construct validity and internal validity. He claims that construct validity is one of the important aspects of data analysis.

Referring to Hair et al. (2012) and Sekaran and Bougie (2010), an assessment has construct validity if its relationships to other information corresponded well with some theory. Hence, this study adopted construct validity to ensure the validity of the items on the face of it as it measures the intended construct. Construct validity was also used to confirm that the items are actually measuring what the study intends to measure. In other words, it was used to attest whether the results from the adapted items can fit the underline theory around which the test was built.

Reliability, on the other hand, is defined as the level of internal consistency or stability of the measuring device over time (Quiles et al., 2019; Shabbir et al., 2016). It is the consistency of an instrument to produce the same results each time it is used. Reliability does not refer to the accuracy of a test in measuring what it purports to measure, but rather to its consistency in yielding similar results each time it is used. The recommended technique for estimating the reliability of an instrument is provided by the Cronbach's Alpha coefficient (Hair et al., 2014). The Alpha values indicate the reliability of the instruments. A high Alpha means that instruments correlate well with the true scores, but a low Alpha indicates that the instruments performed poorly (Arain et al., 2010). Generally, an alpha coefficient of 0.80 and above is considered good, Alphas of at least 0.70 are deemed acceptable (Bryman & Bell, 2015; Hair et al., 2014). However, Hair, Ringle and Sarstedt (2013) suggested that an Alpha value of 0.60 to below 0.70 is moderate and still acceptable and reliable.

The purpose of this study is to determine the validity and reliability of the measurement instruments adapted from prior studies. Therefore, this study presents the findings of the pilot test on entrepreneurial orientation, Islamic values, internal motivation and micro and small enterprise performance in Nigerian context. This study will not only eliminate the uncertainties about reliability and validity but will also offer the bases to conduct a final study. Similarly, the study aims to get an acumen of the possibilities of the impact assessment, which will assist researchers, practitioners and other stakeholders to predict prospective issues and take corrective actions while conducting related inquiries.

## **2.0 Literature Review and Theoretical Framework**

### ***Underpinning Theory***

Underpinning theories suggest fundamental principles and realities that guide a proper understanding of constructs and their relationships, as such it is a foundation upon which assumptions of a study depends on. In view of this, the present study adopts two important theoretical approaches to explain the relationship between entrepreneurial orientation (EO) and Islamic values (IV) as the independent variables, MSE performance as dependent variable and internal motivation (IM) mediating the concepts. The resource-based view theory (RBV) and the theory of human values (THV) are the two underpinning theories that expound the construction of the theoretical framework. The next sections explain how these theories support the framework.

A resource-based view of a firm explains its ability to deliver sustainable competitive advantage when resources are managed, such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Imam, Keat, & Abd-Rani, 2017). RBV explains that a firm's sustainable competitive advantage is reached by virtue of unique resources being valuable, rare, inimitable, non-tradable, and non-substitutable (VRIN), as well as firm-specific resource capabilities (Finney et al., 2008; Ritthaisong et al., 2014). Barney (1986) and Penrose (1959) ascertained that organizations normally own

resources which provides them with competitive advantage and holds the key to superior long-term performance. The resources that are scarce, specialized and difficult to trade, imitate, or appropriate are viewed as intangible. Therefore, this study applied the resource-based view (RBV) as one of the underpinning theories. The theory turns out to be one of the most widely used theoretical framework to underline the way companies utilize their resources to achieve performance.

Over the last decade, the Theory of Human Value (THV) has been the exponent of researchers in the expanse of social psychology, linking entrepreneurship and personal values. The basic foundation of human values is intrinsically interesting to various researchers (Braithwaite & Law, 1985; Levy, 1986; Schwartz & Bilsky, 1987; Schwartz, 1994). The THV postulate that individuals' behaviours represent their sets of values as these values are beliefs on what is good and what is bad to do in a society. Referring to Schwartz and Bardi (2001), the effects of different social structural variables of respect, commitment and acceptance of customs and ideas on values that religion provide can be predicted, identified, and interpreted more effectively by using value domains as opposed to single values. Hence, religious values, in this case, belief in Almighty Allah is located in the collectivist interest (Rohani et al., 2015). Although these might be seen as individual expressions of faith, the collectivist grounding of specific religious beliefs apparently triumphs in determining their placement (Schwartz & Bilsky, 1987).

Therefore, The Theory of Human Value and Resource Based View Theory indicate the connection between Islamic values and entrepreneurial orientation so as to influence behaviours of entrepreneurs towards achieving firm performance. Although the linkage between Islamic values (IV) and entrepreneurial orientation (EO) are not expounded in both theories, however the connection between the two is important to be examining as proven by Rohani et al. (2015) and Gouveia et al. (2014) about the significant link between these two important variables.

### ***Concepts of Micro and Small Enterprise***

In both developed and developing countries, small and medium enterprises (MSEs) constitute the larger portion of businesses and viewed as playing a significant role in the growth and development of the nation (Imam & Mustapha, 2019; Mohammed et al., 2023). MSEs have been recognized globally as the engine of growth and development (Agbim et al., 2023; Mohammed et al., 2023; Ogechukwu, 2011). It is widely acknowledged that it is not the large firms that are fueling the leading economies around the world, but the small and medium firms (Mukhtar, 2013). There is no universally accepted definition for micro and small enterprise (MSE), however, there are some consensus on the attributes of MSE, especially in the emerging nations such as low scale levels, lack of technological know-how, absence or little access to credit, lack of managerial capacity, low level of productivity and income, tendency to operate in the informal sector, few linkages with modern economy and non-compliance with government registration procedures are some of the features (Bernard, Kevin & Khin, 2016). The Nigerian Government has defined MSE as a business entity with employees fewer than 49 and total assets excluding land and buildings not exceeding fifty million Nigerian Naira (NBS & SMEDAN, 2017). However, it should be noted that even among the public institutions, there is no agreement on this definition. Some organizations or institutions in Nigeria have at different times, defined MSE in different ways, but the definitions have as common measures fixed assets, gross output, and number of employees.

### ***Micro and Small Enterprise (MSE) Performance***

Performance of MSE is made up of the actual output measured against its input and it enable the enterprise to focus on areas that need improvement by evaluating the level of work progress in terms of

quality, cost and time so as to consolidate in areas with higher level of output (Mainoma & Nasir, 2023; Mennens et al., 2018; Sheriff et al., 2017). MSEs are said to be performing when it achieves its overall objectives with effective and efficient utilization of its resources (Aminu & Mahmood 2016; Semrau et al., 2016; Aziz et al., 2016).

Numerous studies on firm performance have adopted a number of resources to examine the factors influencing firms' performance. Ahmad and Ahmad (2018) study the multiple skills and firm performance in Pakistan. They found that the performance of an entrepreneurial venture is influenced by the entrepreneur's skills acquisition, markets/innovations and information. Additionally, previous studies have emphasized on a clear segregation between the two phases of performance assessment in the literature (Naalah et al., 2019; Tang & Tang, 2012; Polat & Mutlu, 2012). The performance of a business organisation is measured both on financial and non-financial aspects. Financial performance is quantified in monetary and mostly focus on increasing productivity, profit maximization and favorable return on investment (Ogunsola, 2023). Similarly, the traditional practiced between the 1880s and the 1980s was more prominence on financial performance, while the modern stage starting from 1990s, put strong emphasize on both financial and non-financial measures (Hussain et al., 2015; Minai & Lucky, 2012; Sorooshian et al., 2016). Prior studies (see Ahmad & Ahmad, 2018; Aziz et al., 2020; Barnard et al., 2016; Imam & Mustapha 2019; Ogunsola, 2023; Shabbir et al., 2016) have recommended that business organizations, especially MSEs should encompass both financial and non-financial dimensions in assessing performance.

Based on the above concepts and definitions, performance can be seen as the outcome of a firm's resource commitment alongside its key performance indicators and the attainment of its intended objectives. Performance can be achieved when MSEs are generating the maximum level of profitability by using their resources and capabilities in effective and efficient manner. The performance of MSEs can be measured either quantitatively (financial measure of performance) or qualitatively (non-financial measure of performance) or incorporating both, depending on the goals and objectives which the business intends to achieve.

### ***Entrepreneurial Orientation***

Entrepreneurial orientation (EO) refers to a strategic orientation of an organization, seizing specific entrepreneurial aspects of decision-making styles, methods, and practices (Lumpkin & Dess, 1996). As such, it reflects how a business operates rather than what it does. Miller (1983) reiterates that the features of an entrepreneurial firm "is the one that engages in product/market innovation, undertakes somewhat risky ventures, and a pioneer in a "proactive" innovations, always ahead of its competitors". Lan and Wu (2010) connoted EO as the readiness to engross in a more innovative, risky as well as uncertain activities in the market place, accurately ascertain new opportunities before their opponents. Thus, EO involves a willingness to innovate to rejuvenate market offerings, take risks to try out new and uncertain products, services, and markets, and be more proactive than competitors toward anticipated market signals and opportunities (Covin & Wales, 2012; Ibrahim & Mas'ud, 2016; Kantur, 2016).

The concept of EO as stated earlier was developed by Miller (1983), comprising three dimensions of innovativeness, pro-activeness and risk-taking which has the ability to create rapidly growing enterprises. It is this conception that (Lumpkin & Dess, 1996) develop into a larger construct through the inclusion of autonomy and competitive aggressiveness (Ibrahim & Mas'ud, 2016; Ismail & Zakaria, 2018). Firms need to be innovative in order to satisfy potential customer needs, engage in new exploration, support new ideas, experiment and stimulate creativity. These are efforts that may result in a new



product development and improving on existing products, hence promoting micro and small business performance and sustainability. EO has been associated with positive effects related to performance (Aziz et al., 2020; Mad Zin, & Adnan, 2016; Tahseen, 2023) or with negative relationships (Najim, Abdul-Rahman & Fahma, 2021).

**Autonomy:** Autonomy is considered as the freedom to exercise creativity as individuals or teams, take action independently and to deliver their vision and idea through to completion. Autonomy offered by firms would motivate employees to work in a positive manner that could lead to higher performance. This will inspire workers to put in their best as they feel a sense of belonging. Scholarly studies have found autonomy to be an independent action taken by an employee or team aimed at bringing forth a business concepts or vision and carrying it through completion (Al-Dhaafri et al., 2016; Imam et al., 2017; Ofem, 2014). Based on outcome of previous studies that autonomy has been linked with performance, this study proposes to examine the relationship between autonomy and MSE performance.

**Competitive Aggressiveness:** Competitive aggressiveness is the ability of a company to audaciously and passionately confront its competitors to gain entry into a new market or improve its position in an existing market (Campos & Valenzuela, 2013). To outwit their rivals, firms can demonstrate reactive or responsive posture. Reactive is a direct response to competitor's stroke while responsiveness is in form of one-on-one competition or direct spasm on competitors (Ofem, 2014). Imam and Mustapha (2019) in their work identified competitive aggressiveness as the firm's ability to surpass and be ahead of their competitors at grasping every opportunity and concluded that "competition" plays an important role in stimulating business performance.

**Innovativeness:** Innovativeness is a crucial part of a business strategy and that entrepreneurship cannot exist without innovation as it is directly related to creativity. Creativity is the source of ideas that will lead to invention of products, services, markets, processes, and technologies. It reflects the company's ability to engage in the process of creating new ideas that can lead to new product development, opening new markets and technological processes (Aminu & Shariff, 2015). Consequently, the impact of the organizational innovativeness on performance depends on the persuasion of the innovation's degree that has been achieved (Al-Dhaafri et al., 2016). Therefore, innovativeness is a firm's tendency to engage in and support new ideas, novelty, experimentation and a creative process that can lead to invention of new product.

**Proactiveness:** Proactiveness is described as taking initiative by anticipating and pursuing new opportunities related to future demand (Lumpkin & Dess, 2001). Being proactive, entrepreneurs can demonstrate a strong responsiveness and be aware of market openings and signals (Al-Dhaafri et al., 2016). Proactive entrepreneurs are always seeking for new opportunities, forward-looking and acting ahead of competitors in anticipating and predicting future customers' demand (Fairoz et al., 2010; Swierczek & Ha, 2003). Therefore, proactiveness is seen as processes that are aimed at seeking new opportunities which directly or indirectly relate to the present line of operations, introduction of new products and brands ahead of competitors and tactically eradicating operations which are in maturity or declining stages of the life cycle.

**Risk-Taking:** Risk taking is a feature that is often linked to entrepreneurship. It is the degree at which business operators are willing to take risky resource commitments or incur heavy debt that has a reasonable chance of costly failure (Al-Ansaari et al., 2015). Risk-taking is a firm's willingness to explore

business opportunities under uncertainties even when their results are unclear. Risk-taking ventures are always identified as audacious and aggressive in pursuing opportunities, such as incurring huge debt or making large resource commitments to obtain high return by taking advantage of opportunities provided by the environment (Al-Ansaari et al., 2015; Ofem, 2014). Risk taking behaviour involves investing a substantial proportion of resources to a project disposed to failure. The emphasis is basically on a calculated risk instead of extreme and uncontrolled risk (Al-Dhaafri et al., 2016)

### ***Concept of Islamic Values***

Islamic values are essential principles in the teachings of Islam which need to be practiced by business owners and entrepreneurs in their entrepreneurial activities, particularly in the Muslim communities around the world. Regrettably, the phenomenon is poorly understood due to its complex and indirect relationships (Deku et al., 2023). Religion plays a vital role on how an individual view the world and relate with one another irrespective of whether one is a believer or not. As cited by Tayeb, (2003), Max Weber believes that the success of entrepreneurs could only be attained if an element of protestant values is incorporated in their business decisions and actions. In an Islamic perspective, the influence of religious values is accentuated on entrepreneurial behaviours as Islam decidedly recommended engaging in entrepreneurial activities. The Prophet Mohammad (pbuh) commended Muslims to be involved in business as nine out of ten sources of wealth creation lies in business. Furthermore, in response to a question on what kind of work is the best, The Prophet Mohammad (pbuh) said: *"working with your hands and all forms of buying and selling are most blessed and legitimate"*, therefore, entrepreneurship is an integral part of Islam and Islam encourages its followers to venture into business. Regrettably, for a religion wherein the first convert was a businesswoman and the second caliph was the wealthiest man in Arabia, the followers of Islam in the recent past have been turning away from financial pursuits and prosperity choosing instead a life of "self-imposed poverty" and a sense of false contentment. In this regard, entrepreneurship can be seen as an activity that aims to create wealth and deepen self-spirituality (Soselo, 2018).

### ***Muslim Entrepreneurs***

Muslim entrepreneurs should maintain their intention of doing business for the sake of realizing Allah's pleasure and attaining the advancement in this world and hereafter. Islamic values that should be practiced by Muslim entrepreneurs have been discussed by Muslim scholars (Akhtar et al., 2017; Oktarina et al., 2017; Rahmah et al., 2019; Mad-Zin & Adnan, 2016). Those studies have delineated a number of characteristics which can be possessed by Muslim entrepreneurs. Somehow, the traits are derived from taqwa (piety) and 'ibadah (worship) to Allah SWT that comprises of the execution of obligatory and voluntary worship, as well as fardhu-ain (personal) and fardhu-kifayah (community).

The stronger MSE owner managers hold to the Islamic values, the more entrepreneurial they become. For this reason, therefore, the current study used the Islamic values of: Courage, Hard work, Honesty, Discipline, Honour and Loyalty to differentiate Muslim entrepreneurs. For entrepreneurial orientation, the study used the five dimensions commonly used by researchers-autonomy, competitive aggressiveness, innovativeness, risk-taking and proactiveness.

**Courage:** Sanchez (2004) emphasised on five basic aspects of courage in entrepreneurial activities as, condor which is similar to honesty in Islam, encourage business owners to speak and hear the truth; rigor as in courage to invent disciplines and sticking to them; will, the courage to inspire optimism, spirit and promise; purpose, the courage to pursue lofty and audacious goals and risk, that is the courage to empower, invent and trust in relationship. Conversely, in the MSE context, courage is counted among

the virtues of ideal business dealings. In the business world, there are a lot of challenges and obstacles that are faced and borne in the business owners. These huddles require a lot of courage to survive and sustain the business. In His Holy Qur'an, Allah SWT described the courageous features of the Holy Prophet and his great followers as:

*"Muhammad, the Messenger of Allah and those who are with him are firm against the enemies but soft with their own". Firm' in the verse replicate the word courage when he confronted his enemies, but he was very sympathetic, caring and kind towards the good people. Qur'an 3:159.*

The current study described courage as a quality to decide or act in the cause of righteousness. These include the courage to speak up the truth, goad to face failure, to take risk, make promise to customers and dare to pursue big goals.

**Honesty:** One of the commendable and highly recommended attitudes in Islam is honesty. This attitude is mandatory in human lives as Allah (SWT) Command all human being to speak the truth all the time including in business transactions. In this regard, in the Day of judgement Allah (SWT) will say to all human beings:

*"This is a day on which the truthful will profit from their truth. For them there are Gardens, with rivers flowing beneath, it is their eternal home, Allah is well-pleased with them, and they will be pleased with Him and that will be the great salvation for human beings." Qur'an 5:119.*

This verse of the Quran clearly states the reward that will be given to the truthful people in the hereafter, comprising honest and truthful entrepreneurs. Holy Quran further emphasises honest business and providing correct weights and measures to customers. As in Sura Ar-Rahman, Allah orders mankind:

*"Establish weight with justice and fall not short in the balance." (Qur'an 55: 9).*

The quoted verses from the holy Qur'an shows a very strong command from The Almighty Allah for entrepreneurs to be truthful in their business transactions. Hence, Muslim entrepreneurs are expected to uphold the values of truthfulness and honesty in their business dealings as this is rewarded in this world and the hereafter.

**Hardwork:** In the Islamic viewpoints, productive work is part of religious duty and considered obligatory for the wellbeing of the society. Additionally, Islam inspires hard work and awfully discourages idleness or engaging oneself in unproductive activities, hence suggests that hard work is a virtue as well as necessity to maintain equilibrium in one's personal and societal life (Khan, Abbas, Gul & Raja, 2015). This virtue is stressed at several places in the Holy Qur'an and the sayings of the Prophet (pbuh). For instance, Allah (SWT) said in the Qur'an:

*"And he who does righteous deeds and he is a believer, he will neither have fear of injustice nor deprivation" (20:112) and "for those who are believers and they did righteous deeds, are the gardens as accommodation for their good deeds" (32:19).*

Furthermore, Prophet Muhammad (pbuh) said that hard work absolves the sins of the believers and the best food which a person eats is that which he eats out of his hard work. In another narration, the Prophet (pbuh) emphasises the virtue of hard work by saying: *"work hard for this world as if you will live forever, and*

*work for hereafter as if you are going to die tomorrow". The Prophet (pbuh) further said: "God the Exalted loves it when one of you takes on a task and performs it well" and Allah SWT loves a worker who values good work, and a labourer or a worker is considered as a friend of Allah. Imam Ali, the fourth successor of the Prophet (598-661 AD) is reported to have stated "Persist in your action with a noble end in mind. Failure to perfect your work is injustice to yourself". The Prophet (pbuh) also endorses the importance of legitimate ways of earning in the following words "Asked what form of gain is the best? He answered "A man's work with his hand and every legitimate sale". (Ahmad-Hadith 1576) Therefore, Muslims entrepreneurs are enjoined to uphold this value firmly and submit to Allah for good results in return.*

**Discipline:** Antoncic and Hisrich (2003), argue that the spiritual values infatuated by entrepreneurs would encourage one's behaviour to carry out business activities by prioritizing honesty, morals and respect for others (discipline). In practice, these factors are considered as key to success in interacting with the community so that it will have an impact on achieving superior performance. As conveyed by Mr. Harianto, the founder of Mayangkara Group of Business in the following interview. ... *The business must be able to provide as much benefit as possible for the community. Do not run a business for bad purposes, such as to exploit natural resources, especially to make people have a high consumptive culture ... I believe that a good business will get good results too; God is omniscient and never sleeps. Islam encourages dealing in business and ensuring fair and just with regards to financial transaction between each other and the ultimate accountability is to Allah (SWT). Al-Quran clearly stated moral ethics of dealing with this principle, as*

*"O you who believe! when you deal with each other in transactions involving future obligations in a fixed period of time, reduce them to writing and let a scribe write down faithfully the agreement between the parties" Qur'an, 2.282, "and if you are travelling and cannot find a scribe, then there be a mortgage taken. . . . . And do not conceal any evidence, for, whoever hides it, surely his heart is sinful, and Allah is all knower of what you do" Quran, 2.283.*

These verses clearly consent that transactions in any form of business should be written down by a good man who possesses high moral conduct and can be just and fair to each party. Attitudes toward work in Islamic societies are almost opposite to those in the West and stem from numerous sayings attributed to Prophet Muhammad such as *"no one eats better food than that which he eats out of his work"*. Conceptually, hard work and discipline are highly correlated, but they might not be similar. Many prior studies on personal values treated the two constructs as two distinct elements (Alma et al., 2010; Blackman, 2003; Rizk, 2018; Suselo, 2018).

A person who values discipline is regarded as productive whether he is engaged in an easy or hard work. An entrepreneur who has a high self-discipline would not only show a proactive behaviour by his willingness to change and stick to what has already planned but he also exhibits autonomous behaviour and depend on what is already scheduled. Lastly, willpower as a pillar of self-discipline was expressed as an ability to set a course of action. An entrepreneur who values discipline would find a way to improve and take appropriate actions.

**Honour:** Honour is reciprocal and can be termed as a person's sense of self-esteem and value, a true Muslim, respects others as much as he or she wants others to respect him or her and always encouraged to be silent than to speak more and hurting others. Hurting another person is sinful and shows no respect for others. A person, who is concerned with others, treats individuals with kindness, respect and love. A Muslim entrepreneur should avoid illegitimate deals in order to protect himself in regards to his faith and his honour. He (pbuh) stated that *"a time will come when people will not care as to how he earns his wealth;*



*that is whether in a legal or illegal way*" (Bukhari, Hadith 1941). To have honour and dignity in business is very vital as it reflects the image of an entrepreneur and determine his place in the society. To gain respect and honour from customers and the community, entrepreneurs should give the same to the customers and the society sincerely. Owner-managers of MSE have to respect people for what they are not for who they are in the society. Entrepreneurs who value honour will have high sense of responsibility and accountability, respect people for their kindness not for their status, and be tolerant and helpful with respect to others' decision.

**Loyalty:** Entrepreneurially, loyalty is being truthful, realistic and consistent in business dealing. Faithfulness and trustworthiness are basic lessons for Muslim entrepreneurs and is highly emphasized in transactions. Referring to Reichheld (2010), loyalty can be earned and expanded only when owner-managers put the welfare of their customers, community and partners above their own self-serving interest. Social responsibility is an action to show loyalty to the community and businesses that continue to render support to the society are said to exhibit commitment and concern.

In an Islamic point of view, loyalty means that everything one has, be it health, wealth, families, and free time belong to Almighty Allah and He entrusts them to you so that you manage them in accordance with His commands. He prescribes a way to carry out the trust so that one can benefit from it in this world and hereafter. Likewise, betrayal in business or breach of trust will result in severe punishment and misery. Therefore, a true Muslim entrepreneur most avoids fraud, deception and other dubious means in selling his goods. The concept of loyalty is described in the verses of the Qur'an as the love and faithfulness to Allah and His Prophet as Allah (SWT) mentioned in the Qur'an:

*"He who obeys the Messenger has obeyed Allah; but who turns away-we have not sent you over them as guardian". Qur'an 4:80. "O you, who believed, obey Allah and His Messenger and do not turn from him while you hear his order". "O you, who have believed, do not betray Allah and the Messenger or betray your trust..." Qur'an 8:20 and 27.*

These verses portrayed the process of obeying Allah by following and complying with the acts of His messenger. As Islam is a way of love, true loyalty exposed the feelings of love to Allah and His beloved Prophet. Consequently, if loyalty is to be expressed in MSE, adoration of entrepreneurs to their customers and community will lead them to give the best to the society without hesitation. This pure feeling of love will lead business persons to be more proactive by providing what is needed by customers and improve the quality of their product from time to time.

### ***Internal Motivation***

Motivation is described as the essential stimulus on output of entrepreneurial activities that regulates the type of activities MSE owner-managers engaged in to improve general performance of MSEs. Rohani et al. (2015) proposed that motivation is an important factor that reflects the strength of MSEs, hence believed that human motivation is one of the vital determinants of business performance. The forces that drive an individual towards an anticipated goal are different for different people. Some are driven internally while others were externally driven. Internal motivation emphasizes on attributes that are originated within the individual. Internal attributes are linked to factors such as personal ability, knowledge, experiences, feelings and skills. As in Akhtar et al. (2017), internal motivation can be defined as a state in which a person is motivated by inner factors as against outer agents, in other words it means a strong feeling for doing something from within. The inner motivation is stronger than the outer

motivation because internal motivations such as achievement, internal locus of control and self-efficacy involves the thinking one has on how much control he or she has and to what extent.

Scholarly research on entrepreneur motivation proposes that the tenacity of a successful entrepreneur is different from that of a less successful one, because the effective and efficient entrepreneurs are internally motivated (Amirul-Islam et al., 2011). The authors submitted that entrepreneurs motivated within pursue entrepreneurial opportunities in a proactive manner while externally motivated react to the environmental circumstances.

### 3.0 Methodology

A pilot test was conducted in this study, first to test the validity and reliability of the survey instrument. Secondly, to get a glimpse of the real conditions of the assessment, which allows the researcher to anticipate potential problems and adjust when embarking on the actual research. Among the main concerns of the pilot test is the validity and reliability of the instrument. According to Sekaran and Bougie (2010), validity measures the extent to which an instrument is measuring what it should be measuring, while the reliability measures the extent to which an instrument is free from error, consistent and stable across various items of the scale.

**Table 1**

*Measurement of Variable in Summary*

Part	Section	Variables	Source	No. Items
1	IV	EO	Covin and Wales, (2012)	15
2	IV	IPV	Rohani, Kamaruddin, Yahya and Sanidas, (2015)	18
3	MV	IM	Kim-Soon, Ahmad and Ibrahim (2014)	10
4	DV	PER	Suliyonto and Rehab, 2012	10
<b>Total</b>				<b>53</b>

**Source:** Researcher (2023).

### 4.0 Results and Discussion

#### *Test Result*

The pilot test is regarded as a trial test using data gathered from a small number of respondents differently from the actual target; to test the appropriateness of the questions and their comprehension (Zikmund et al., 2013). The aim behind the pilot test is to refine the measures prior to its distribution for actual data collection. This enables the rephrasing of ambiguous questions, gauge time required for questionnaire completion, and measures the reliability and validity (Sekaran & Bougie, 2013). A sample size for pilot test is usually small ranging from thirty to one hundred respondents, though it could be more than that if the study involves several stages (Malhotra et al., 2016). Therefore, it is expected that with a valid and reliable instrument, there could be a reduction of measurement error to a large extent. The most common test for internal consistency or reliability is the Cronbach's alpha coefficient (Sekaran & Bougie, 2013). Therefore, this study employed Cronbach's alpha coefficient to measure the internal consistency. The data gathered from the pilot study were analyzed using SPSS 2.0 and details of the study were presented in the subsequent sub-sections.

#### *Validity Results*

A sample of the questionnaire was distributed to an expert in the field of management, specifically academicians and industry operators to make useful comments and inputs on the suitability of the items

adapted to measure the constructs. The expert consulted comprises a professor and two senior lecturers in the Faculty of Management Sciences, University of Maiduguri and two senior lecturers in the Faculty of Social and Management Sciences, Borno State University, Maiduguri, Nigeria. Equally, the questionnaire was given to some business owner-managers in Kano, Nigeria for their comments and inputs in respect to the questions. Based on these observations, some of the items in the questionnaire were re-phrased and re-worded correctly to suite the context of the study. This will make the potential respondents to understand the questions easily.

### *Reliability test*

As presented in Table 2, the results of the reliability test indicated that all the measure of the study are found to be reliable as the Cronbach's alpha values ranges from 0.62 to 0.87. According to Hair et al. (2014) and Sekaran and Bougie (2013), a Cronbach's alpha coefficient of 0.60 is considered as having an average reliability while 0.70 and above indicates a high reliability standard. Hence, all the constructs in this study are reliable and there is no need to remove any item.

**Table 2**

*Reliability Test*

<b>Constructs</b>	<b>Cronbach's Alpha</b>	<b>No. of Items</b>
Innovativeness	0.822	3
Risk-Taking	0.660	3
Competitive Aggressiveness	0.673	3
Proactiveness	0.627	3
Autonomy	0.757	3
Courage	0.669	3
Hard Working	0.643	3
Honesty	0.661	3
Honour	0.772	3
Discipline	0.706	3
Loyalty	0.728	3
Internal Motivation	0.872	10
Performance	0.724	10

**Source:** Field work (2023).

Additionally, the convergent validity and discriminant validity for the instrument was established in this pilot test. Hair et al. (2014) emphasized that the most common method for establishing the convergent validity of a construct is the Average Variance Extracted (AVE). To achieve an adequate convergent validity, the AVE of each latent constructs should be more than 0.50. As exhibited in table 3, all the reflective items have convergent validity as each constructs achieved the threshold higher that 0.50, thus indicating a high convergent validity.

**Table 3**

*Pilot Test: Reliability and Convergent Validity*

Construct	AVE	Composite Reliability	Cronbach's Alpha
EO	1.324	9.153	.825
IV	0.984	15.550	.849
IM	0.716	10.446	.872
PER	0.968	7.490	.724

**Source:** Field work (2023).

The discriminant validity is another form of construct validity for the reflective measure. It reveals the extent to which a certain latent construct differs from other latent constructs of the same model based on empirical assumptions (Zacher, 2014). Discriminant validity is established once a latent reflective construct is distinctive and capture marvels not represented by other latent reflective constructs (Hair et al., 2014). The correlations among the latent constructs were compared with the square root of the average variance extracted (AVE) of each construct and a reflective construct has a discriminant validity when the square root of the AVE is higher than the correlation of any other reflective construct in the same model (Voorhees et al., 2015).

According to the authors, the reason behind this is that, if the square root of the AVE for a certain construct is greater than the correlations with other constructs, it signifies that the construct shares more variance with its associated indicators. Based on this criterion, all the constructs of this study have achieved discriminant validity as presented in Table 4 which indicated that the square root of the AVE was greater than the correlations among latent constructs, this suggests an adequate discriminant validity (Voorhees et al., 2015).

**Table 4**

*Pilot Test: Discriminant Validity*

Constructs	EO	IM	IV	PER
EO	<b>0.862</b>			
IM	0.756	<b>0.800</b>		
IV	0.704	0.785	<b>0.791</b>	
PER	0.679	0.733	0.756	<b>0.778</b>

**Source:** Field work (2023).

## 5.0 Conclusion and Recommendations

In conclusion, the main objective of this study was to evaluate the level of validity and reliability of the measurement items adapted from previous research on entrepreneurial orientation (EO) and Islamic values (IV) (independent variables) and internal motivation (IM), the intervening variable towards enhancing the performance of MSE. Therefore, the pre-test conducted measures the face validity and reliability of the items to be use in the final research work. The findings of the study reveal that all constructs have good internal consistency reliability, exhibiting that all the value of Cronbach's alpha for the construct under examination are above the average threshold of 0.60. The Cronbach Alpha value exceeding 0.60 suggest that items have a good internal stability and consistency, thus, confirming that the items under review are reliable and there is no need for eliminating any of the items from the measures adapted, however, there is a slight modification in the questionnaire to suite the context of the



study area. Finally, this pre-test work might provide some valuable insight on quantitative research for scholars in the related context to adapt and apply the tested measures.

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