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MEASURING CROSS-NATIONAL INVARINESS OF THE ENTREPRENEURIAL ORIENTATION SCALE

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SUMMARY

MEASURING CROSS-NATIONAL INVARIANCE OF THE ENTREPRENEURIAL ORIENTATION SCALE

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Principal Topic & Method
This study examines the cross-national validity and invariance of the EO measure (Covin and Slevin, 1989) by analyzing a data set spanning 1,200 SMEs from seven countries. Results from the study can be summarized under three main headings: dimensionality, validity, and invariance. From a dimensionality perspective, study results suggest the three-factor representation of EO is most appropriate. This finding is in contrast to previous research which has operationalized the construct in a unidimensional fashion.

This study also examined the convergent and discriminate validity of the constructs. Of the eight items examined in this study, two caused violations of both convergent and discriminant validity and were excluded from the remaining analyses. The multi-dimensional model excluding these items produced significantly better fit statistics than did the model including them. Four of the six items retained in the final scale, those intended to measure innovativeness and risk-taking, were originally developed by Miller and Friesen (1982). The other two retained items, designed to measure proactiveness, were developed by Covin and Slevin (1989). Thus, measurement problems associated with the items may be the result of items coming from differing sources.

Results and Implications
Our assessment of cross-national equivalence indicated that Greece was the lone country for which metric and scalar invariance was attained across each of the three EO dimensions. This suggests that researchers can assess substantive differences in latent factor variances, covariances, and latent means when their studies involve a comparison of U.S. and Greek entrepreneurs. However, the same could not be achieved for all three factors when comparing the U.S. sample against that drawn from each of the other five countries. The Australian and Mexican analyses yielded metric and scalar invariance for the proactiveness and risk-taking dimensions, but not for the innovativeness dimension. The Dutch analysis revealed metric and scalar invariance for the innovativeness and risk-taking dimensions, but not for the proactiveness dimension. Lastly, the Swedish and Indonesian analyses indicated that both metric and scalar invariance existed only for the risk-taking dimension.

These findings position the risk-taking dimension of EO as the most robust from a cross-national equivalence perspective and indicate that caution should be used in interpreting differences across countries in which cross-national invariance has yet to be established, especially in studies examining innovativeness and proactiveness. The reasons for this may relate to institutional and environmental forces such as like economic, social, and political factors, or the effect national culture has on the entrepreneurial mindset.

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