

THE EFFECT OF HUMAN RESOURCES DEVELOPMENT ACTIVITIES ON  
ENTREPRENEURIAL COMPETENCIES

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## **SUPERVISOR APPROVAL**

‘I hereby declare that have read this thesis and in our research is sufficient in terms of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward Bachelor Degree of Technopreneurship’

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THE EFFECT OF HUMAN RESOURCES DEVELOPMENT ACTIVITIES ON  
ENTREPRENEURIAL COMPETENCIES

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A project paper submitted  
In fulfilment of the requirements for the Bachelor Degree of  
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## DECLARATION

I declare that this project entitled “The Effect of Human Resource Development Activities Entrepreneur Competencies” is the result of my own research except as cited in the references. The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature : .....

Name : WAN HADZRIN BIN WAN HUSAIN

Date : .....

## DEDICATION

Specially dedicated to abah ku sayang Wan Husain Bin Wan Ibrahim and umi ku sayang  
Wan Zainab Binti Wan Daud, thank you for your prayers  
To Kaklong, and Kakngah; thank you for your concerns. syukur pada Allah S.W.T  
For all the encouragement, big thanks to all my dear friends Thanks for my self  
(Knowledge Without Charity does not mean)

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## ABSTRACT

In the world today, Employees play an important role in the process to develop the company. Therefore, to develop the small and medium enterprises (SMEs), competencies workers is important to develop competencies organization. Therefore, the development of human resources training and development activities is essential in improving the competencies of workers. Therefore, human resource development activities will affect entrepreneurial in management, more competencies organization. Entrepreneurs important role for manage the company and help in improving the management of the organization while enhancing the development of small and medium enterprises SMEs. This research will be conducted in SME's in Melaka focusing on the manufacturing sector. Data were collected from 50 respondents through questionnaires and data were analyzed using SPSS (Statistical Package for Social Sciences) The study finds strong evidence for the hypothesis that effect human resource development activities by training and development on entrepreneurial competencies.

**Keywords: Human Resources development activities, Humman Resources, Small Medium Enterprise(SMEs), Enterprenuer Competency**

## **ABSTRAK**

*Dalam dunia hari ini, kakitangan memainkan peranan penting dalam proses untuk membangunkan syarikat. Oleh itu, untuk membangunkan perusahaan kecil dan sederhana (PKS), kompetensi pekerja adalah penting untuk membangunkan kecekapan organisasi. Oleh itu, pembangunan sumber aktiviti latihan dan pembangunan manusia adalah penting dalam meningkatkan kecekapan pekerja. Oleh itu, aktiviti-aktiviti pembangunan sumber manusia akan memberi kesan keusahawanan dalam pengurusan, lebih kecekapan organisasi. Usahawan peranan penting untuk menguruskan syarikat dan membantu dalam meningkatkan pengurusan organisasi masa yang sama meningkatkan pembangunan perusahaan kecil dan sederhana PKS. Kajian ini akan dijalankan dalam PKS di Melaka memberi tumpuan kepada sektor pembuatan. Data dikumpulkan dari 50 responden melalui soal selidik dan data dianalisis dengan menggunakan SPSS (Statistical Package for Social Sciences) Kajian ini mendapati bukti kukuh untuk hipotesis bahawa kesan aktiviti pembangunan sumber manusia melalui latihan dan pembangunan kepada kecekapan keusahawanan.*

***Kata kunci: Aktiviti pembangunan Sumber Manusia, Sumber Manusia, Industri Kecil Sederhana (PKS), Kecekapan usahawan***



## CONTENTS

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE</b>
	<b>DECLARATION</b>	ii
	<b>DEDICATION</b>	iii
	<b>ACKNOWLEDGEMENT</b>	iv
	<b>ABSTRACT</b>	v
	<b>ABSTRAK</b>	vi
	<b>CONTENTS</b>	vii
	<b>LIST OF TABLES</b>	x
	<b>LIST FIGURES</b>	xi
	<b>LIST OF ABBREVIATIONS</b>	xii
	<b>LIST OF APPENDICES</b>	xiii
<b>CHAPTER1</b>	<b>INTRODUCTION</b>	1
	1.1 Introduction	1
	1.2 Statement of the Problem	2
	1.3 Research Objective	4
	1.4 Research Hypotheses	4
	1.5 Scope of the Study	5
	1.6 Limitation of the Study	6
	1.7 Significance of Study	6
	1.7.1 Contribution to Knowledge	7
	1.7.2 Contribution to Practice	7
	1.8 Definitions of Concept and Operational	8
	1.8.1 Human Resource Development	8
	1.8.1.1 Training	10
	1.8.1.2 Development	11
	1.8.2 Entrepreneurial Competencies	11

<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	14
2.1	Introduction	14
2.2	The Resource Based View	15
2.3	The Human Resource Development	17
2.4	The Training and Development	22
2.5	Competencies	25
2.6	Entrepreneurial Competencies	28
2.6.1	Strategic Competency	32
2.6.2	Commitment Competency	32
2.6.3	Conceptual Competency	33
2.6.4	Opportunity Competency	33
2.6.5	Organizing & Leading Competency	34
2.6.6	Relationship Competency	34
2.6.7	Learning Competency	35
2.6.8	Personal Competency	35
2.6.9	Technical Competency	36
2.7	Small Medium Enterprise in Malaysia	36
2.7.1	Defening (SMEs)	37
2.8	Past research	38
2.8.1	Past research in the country	39
2.8.2	Past research overseas	39
2.9	Theoretical Framework	41
2.10	conclusion	42
<b>CHAPTER 3</b>	<b>RESEARCH METHOD</b>	43
3.1	Introduction	43
3.2	Research Design	44
3.3	Research Location	46
3.4	Research Subject	47
3.5	Research Instrument	47
3.6	Pilot Test	48
3.7	Research procedure	49
3.8	Data Analysis Method	49

<b>CHAPTER 4</b>	<b>ANALYSIS DATA</b>	51
4.1	Introduction	51
4.2	Respondent General Information	52
4.2.1	Gender	52
4.2.2	Age	53
4.2.3	Education	54
4.2.4	Work Experience	56
4.2.5	Period of survice	57
4.3	Objectives and Hypotheses Test	58
4.3.1	Objective 1	58
4.3.2	Objective 2	59
4.4	Objectives and Hypothesis	60
4.4.1	Objective 3	60
4.5	Summary	63
<b>CHAPTER 5</b>	<b>DISCUSSION AND CONCLUSION</b>	64
5.1	Introduction	64
5.2	The Conclusion of Objective 1	65
5.3	The Conclusion of Objective 2	66
5.4	The Conclusion Objective 3	67
5.5	Conclusion	68
5.6	Recommendation	69
5.6.1	Recommendation for Organization	69
5.6.2	Recommendation for Future Research	69
	<b>REFERENCES</b>	71
	<b>APPENDICES</b>	76

## LIST OF TABLES

<b>TABLE</b>	<b>TITTLE</b>	<b>PAGE</b>
Table 2.1	Areas of Entrepreneurial Competency	31
Table 2.2	Based on number of full-time employees in SMEs	37
Table 2.3	Based on annual sales turnover	38
Table 3.1	Data Analysis Method	50
Table 4.1	Results of Survey Respondents by Gender	52
Table 4.2	Result of Survey Respondent by Aged	53
Table 4.3	Result of Survey Respondent by Education	55
Table 4.4	Result of Survey Respondents by Work Experience	56
Table 4.5	Result of Survey Respondent by Period of Service	57
Table 4.6	Result Frequency Analysis of Level Training and Development Practices	58
Table 4.7	Result Frequency Analysis of Level Entrepreneurial Competencies on Organization study	59
Table 4.8	Linear Regression between Human Resources Developmentand Entrepreneurial Competencies	60
Table 4.8	Linear Regression between Training and Entrepreneurial Competencies	61
Table 4.9	Linear Regression between Development and Entrepreneurial Competencies	62

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**LIST OF FIGURES**

<b>FIGURES</b>	<b>TITTLE</b>	<b>PAGE</b>
Figure 2.1	Theoretical Framework	41
Figure 3.1	the process of deduction	45
Figure 4.1	Results of Survey Respondents by Gender	52
Figure 4.2	Result of Survey Respondent by Aged	53
Figure 4.3	Result of Survey Respondent by Education	54
Figure 4.4	Result of Survey Respondents by Work Experience	56
Figure 4.5	Result of Survey Respondent by Period of Service	57

## LIST OF ABBREVIATIONS

HRD	Human Resource Development
IWB	Innovative Work Behaviour
SME	Small Medium Enterprise
PSMB	Perbadanan Sumber Manusia Berhad
T&D	Training and Development
HCD	Human Capital Development
OD	Organisation Development
GDP	Gross Domestic Product
HR	Human Resource

**LIST OF APPENDICES**

<b>APPENDIX TITLE</b>	<b>PAGE</b>
Questionnaire	76

## CHAPTER

### INTRODUCTION

#### 1.1 Introduction

Aspects in the human resources development over the years to this day often become major debate among the scholar in the fields of management. Through, studies swiped by researchers in the field of human resource development, created a creation of theories of human resources management that aims to provide knowledge and awareness of issues related to human resource development. Although management scholar has different views on the meaning or the way in the of human resources development, they still believe that human resource development is a very important element in determining the competencies of entrepreneurship within an organization.

Thus, proving the importance of this aspect of human resource development will try disclosed by researchers through the study of the theory of human resource development. Human resources development focuses for development and training its effects on Entrepreneurial Competencies. Discussion in this chapter covers the problem A statement, research objectives, research questions, significance of the study, limitations of the study, scope of the study, layout of Theses and operational definitions of terms used in the study.



## 1.2 Statement of the Problem

A small Medium Enterprise (SMEs) company is a company that is developing. Many challenges and obstacles encountered by SMEs companies. According to Gisip, I. A., & Harun, H. A. H. (2013) the most significant challenge facing Malaysian SMEs is a lack of human capital as it is often too expensive for SMEs to employ a competent and professional workforce. Whilst the government has realized the severity of the brain drain, especially among professionals and skilled workers, little is being done to help SMEs attract and retain world class talents.

There are a few personal factors that affect business performance can be classified into 4 groups (Li, 2009), namely: 1) personal characteristics, included in this group are the research that focus on the nature and the motives of self-employment that distinguishes self-employment with the entrepreneurial, not 2) psychological characteristics, emphasizing on the importance of individual characteristics, such as the need for achievement, internal locus of control, take risks, creativity, and innovation, 3) human capital, such as level of education, work experience, experience, skills and technical knowledge, as well as 4) behavioral approaches that suggest competence to identify and define the characteristics of a successful manager.

According Li (2009) argue that personal factors influence business success in SMEs consists of personality traits and competencies of the individuals in the process of entrepreneurship. In this study, more concerned about factors into four sections which suggests behavioral competencies approach to identify and determine the characteristics of a successful manager. This study determines the extent of the role of competencies in solving problems experienced by SMEs companies. Competencies can improve entrepreneurial competencies there by creating a successful SMEs organization.

In improving the entrepreneur competencies, employee plays an important role in improving the entrepreneur competencies. In this study the researchers wanted to examine to what extent the relationship between the of human resources development with entrepreneurs competencies. Employees are important assets in an organization. Due to the challenges that face many of the workers in the work environment and for humans is considered a valuable asset of an organization.

Organizations need to invest in training and development of their human capital to improve their capacity and capability (Jimenez & Valle, 2013). This is important in an organization to create a great organization. Motifs that have the training and development are to improve and update their skills, knowledge and experience of the employees of the organization (Fong et al., 2011). Issue how far the impact of human resource development in Entrepreneurial Competencies.

This research will study relationship between human resources development and Entrepreneurial Competencies. Human resources development is an independent and Entrepreneurial Competency as a dependent. This Study attempted to answer the following question:

- i What are the levels of Human Resource Development activities on organization study?
- ii. What are the level of Entrepreneurial Competencies on organization study?
- iii What are the relationships between human resources development and Entrepreneurial Competencies for the development of SME?

### **1.3 Research objectives**

Based on the goal of the study, several research objective designed to achieve these goals, the study has three objectives identified in in the answer. Three objectives were:

- i. To study the level of Human Resource Development practices on organization study.
- ii To study the level of Entrepreneurial Competencies on organization study.
- iii. To study the relationships between human resources development practices and Entrepreneurial Competencies for the development of SMEs.

### **1.4 Research Hypothesis**

Based on combinig the concept of humman resources development and entrepreneur competencies. For research purpose, null hyphotheses are developed as follows:

#### **1. Hypothesis 1**

H0 : There are no significant effect between human resource development activities and entrepreneurial competencies

H1 : There are significant effect between human resource development activities and entrepreneurial competencies

## 2. Hypothesis 2

H0: There are no significant effect between training and entrepreneurial Competencies

H1: There are significant effect between training and entrepreneurial Competencies

## 3. Hypothesis 3

H0: There are no significant effect between development and entrepreneurial competencies

H1: There are significant effect between development and entrepreneurial competencies

### **1.5 Scope of the Study**

This study was conducted in the state of Malacca, by focusing on SMEs companies in Melaka. These companies were selected based on the active SMEs listing of Perbadanan Sumber Manusia Berhad (PSMB) and mainly focused on the manufacturing sector. The scope of this study is to investigate the human resources practices and effects of entrepreneurial competency. The scope of these study 50 workers including managers and entrepreneurs were selected as respondents to the questionnaire to find out the effect of human resource development activities on entrepreneurial competencies.

## **1.6 Limitation of the Study**

Each study will always be limited by several constraints. There are several constraints that limit this study. The first constraint is the methodological limitations in the studies that examine the effect of human resource development practices and Entrepreneurial competencies only are using questionnaires. Instead there are several other types of methods that can be used while every effort has been made to ensure that the respondents gave the correct answer, and honestly, the validity of their views cannot be built. It is difficult to determine whether any of the respondents stated clearly honest and accurate response, especially for pedagogical knowledge and pedagogical content knowledge section as they were required to self-assess.

In addition, the sample size is limited. This study considers only about 50 of workers of SMEs. Small sample size may not have statistical support for the final decision or to generalize the results of this study. This study is based on quantitative analysis and survey method using the questionnaire. Subjects of the study based on the answers given in a liker scale ranging from 1-7. In conclusion, measurement tools in this area consist of items adapted from previous researchers. The questionnaire is very reliable, but it is limited to the context of this study. Other issues such as honesty in answering the questionnaire were beyond the control of the researcher. In addition, time horizon to finish the collect data. This is because procedure to take the data is complex. This is give impact for total of respondent.

## **1.7 Significance of the Study**

This study is expected to provide new perspectives and may expose different interpretations of the training and development of existing activities as it is tested in the new environment, SMEs, which are outside the west business culture. Many studies on various aspects of training and development activities can be found in the literature.

### **1.7.1 Contribution to Knowledge**

The issues of human resource development are a very broad issue that is often discussed in many organizations. Training has developed significantly in recent years. Researchers feel that it is better to find a particular context of the study. This study is expected to provide an understanding of human resource development and entrepreneurial skills. Emily V. Kiboss, (2014) Training and development programs are necessary for organizations to improve the quality of work of employees' performance at all levels. In addition, this study is to improve and add to the existing research human resource development and entrepreneurial competencies. During this study, the researchers hope to get more ideas, information as well as additional references to future research.

### **1.7.2 Contribution to Practice**

This study is expected to provide information about the linking of the effects relationship between human resource developments will give effect for employee with entrepreneurial competencies. Furthermore, it is important to the employees to have the awareness on the importance of competencies and practice it towards the development of an organization

## **1.8 Definitions of concept and Operational**

There are several definitions of overall. This section mentioned in this study provides an operational definition for explanation of terms, as contained in and related to the title of the book will be used in this book. A detailed discussion of the concepts presented in the following chapters in this book.

### **1.8.1 Human Resources Development**

Human resource development (HRD) is processes to improve performance include the development and unleashing human expertise through organizational development and employee training and development. According John.M Ivancevich, (2007) human resources development is a process training and development that attempt to provide an employee with information, skill, and an understanding of the organization and its goals. There are many alternative definitions given to human resource development throughout every year. The term of HRD has been applied to widely varying activities. According Amin Swanson, R. A. (2007) HRD can be defined it as “a process for developing and unleashing human expertise through training and development and organization development for the purpose of improving Performance.”. For instance, Sambrook (2004) synthesizing US definitions, posits that HRD is a process concerned with developing human expertise for the purpose of improving performance.

The HRD definitions are not differing significantly. It is generally stated as a systematic and planned effort to modify or develop knowledge, attitudes, abilities and skills through learning experiences, to attain effective performance in an activity or a range of activities (Garavan et al., 1995; Reid et al., 1992). According Amin Akhavan Tabassi, Mahyuddin Ramli and Abu Hassan Abu Bakar (2011) say in the research HRD is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance.

Have many scholars to review the actual theory of actual human resources development. However, the numbers of critical research, studies, developments and analyzes of HRD theories have been limited in the past two decades. According to Simmonds and Pedersen (2006), two approaches developed to HRD practices. Firstly, the British researchers have emphasized on learning and development patterns, which focused on strengthened training and development issues (Garavan et al., 1999; McGoldrick et al., 2002). Secondly, the American researchers put more emphasis on performance outcomes and employees development in order to enhance and improve organizational performance outcomes (Swanson and Holton, 2001; Sally, 2004).

According Jon M. Werner and Randy L. DeSimone (2012) HRD activities should begin when an employee joins an organization and continue throughout his or her career, regardless of whether that employee is an executive or a worker on an assembly line. This research describes again, HRD programs must respond to job changes and integrate the long-term plans and strategies of the activities, or “T&D” for short, constitutes a major part of human resource develop organization to ensure the efficient and effective use of resources. In short, while training and development, activities such as coaching; career development, team building, and organization development also are aspects of human resource development.

According Werner and De Simone (2006) describe the HRD as a function of HRM. Asserts that it is easy to connect the logical origin of HRD on human history and the training needed to survive and advance. Although HRD is a relatively new term, the largest component of HRD training can be traced back through the evolution of mankind. Metcalfe and Rees (2005) also expressed by quoting many studies that HRD is relatively a new field of academic study and there is no homogeneity in „HRD intellectual inquiry and proliferation of global HRD.

According Dr. Muhammad Tariq Khan, Dr. Naseer Ahmed Khan, Khalid Mahmood (2012) Concluded that HRD in organizational perspective is focused in narrow sense by its function on learning, education, training and development to the human resources selected and recruited to identify, assure, and help to develop the key competencies that enable individuals to perform current or future jobs with