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THE RELATIONSHIP BETWEEN INTRAPRENEURIAL COMPETENCIES AND
INNOVATIVE WORK BEHAVIOUR

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“I hereby declare that the work of this research is mine except for the quotations
summaries that have been duly acknowledged”

Signature:

Name:

Date:

DEDICATION

I express my sincere thanks to Papa and Mama,
MR. HJ. ABDUL RAHMAN BIN MOHAMED YUNOS
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because have served in fulfilling my requirements and desires
in my life until this day.

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ABSTRACT

This study aims to investigate the relationship between entrepreneurial competencies and innovative work behaviour. The effect of entrepreneurial competencies toward innovative work behaviour as can see from increase of skills, knowledge and attitude at workplace or daily life. This study will be conducted on the line of supervisor in Hokuden (M) Sdn. Bhd. at Bandar Tenggara, Johor Darul Takzim. Data will collected from 50 respondents through questionnaires used by previous researcher using regression analysis and mean. The reliability using the Cronbach Alpha to know extent this research is reliability. By using entrepreneurial competency as a theory grant clearly shows that the entrepreneurial competencies is very important in a country to continue to grow and remain competitive. Entrepreneurial competencies are very important because they can enhance the knowledge and skills of people in completing their daily tasks. the result of this research is between entrepreneurial competencies and innovative work behaviour has a significant relationships.

ABSTRAK

Kajian ini bertujuan untuk mengkaji hubungan antara kompetensi keusahawanan dan tingkah laku kerja yang inovatif. Kesan kompetensi keusahawanan ke arah tingkah laku kerja inovatif seperti yang dapat dilihat daripada peningkatan kemahiran, pengetahuan dan sikap di tempat kerja atau kehidupan seharian. Kajian ini akan dijalankan ke atas barisan penyelia di Hokuden (M) Sdn. Bhd. di Bandar Tenggara, Johor Darul Takzim. Data telah dikumpulkan daripada 50 responden melalui soal selidik yang digunakan oleh pengkaji terdahulu dengan menggunakan analisis regresi dan min. Dengan menggunakan kompetensi keusahawanan sebagai geran teori jelas menunjukkan bahawa kompetensi keusahawanan adalah sangat penting dalam sesebuah negara untuk terus maju dan berdaya saing. Kompetensi keusahawanan adalah sangat penting kerana ia boleh meningkatkan pengetahuan dan kemahiran manusia dalam menyelesaikan tugas-tugas harian mereka. Keputusan dan hasil dari kajian ini adalah menunjukkan antara kompetensi keusahawanan dan tingkah laku kerja inovatif mempunyai hubungan yang signifikan.

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LIST OF SYMBOL

B	=	Beta
°	=	Null
%	=	Percentage
R	=	Point of estimate
R ²	=	Point of estimate Square
P	=	Value

LIST OF ABBREVIATION

IWB Innovative Work Behaviour

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Chapter 1

INTRODUCTION

1.1 Introduction

Competencies is an asset or advantage to each of individu because they can use their skills to create a something with more creative and can give benefit to themselves and others. One of the superior competencies that can give more impact to peoples is intrapreneurial competencies. Moreover, intrapreneurial competencies can give impression on business development and can help organization in producing goods or services with high quality and also can meet the customer's need and want. Other than that, intrapreneurial competencies also can improve the business operation become better. This is supported by Seshadri & Tripathy (2006), intrapreneurial competencies is the concept of competence between the employees in the organisation who can foster them in improving the performance of the company, making an innovation in the company and looking for business opportunities.

Other than that, behaviour can give an impact on individu or business performance. However, according to Katz (1964), an organization that depends fully to its master plan of prescribed behaviour is a very breakable social system. That is mean, work based on common behaviour and knowledge will not give an grand impact in organization performance. So, each of organization should influence their employees to improve their behaviour become innovative work behaviour (IWB) and using their employee's capability in a maximum ways to help them improve their performance by generating an innovative and new idea in produce an innovative products or services that can fulfill their customer's needs and wants and can

contribute to the national economy. Moreover, this is supported by Jong & Hartog (2007), in this case, employees can help to enhance business performance through their potential to produce ideas and use these as building blocks for new and better products, services and work processes.

Therefore, is intrapreneurial competencies and innovative work behaviour? So, this paper will analyzing the relationship between intrapreneurial competencies and innovative work behaviour (IWB) and it is including with problem statement, research purpose and objective, the consequential of this research and definition of the concept.

1.2 Problem Statement

The widespread use of the term “multinational corporation” started in the early 1960s (Jones, 1996). According to Liu (1997), MNC is related to emphasize the measure of a company’s internationality in one of the following three areas which are structure, performance, and behavior. As we know, each country has a lot of multinational corporation. Each company gives importance to the community and the country because being able to provide jobs to the community and is able to increase the national income. Multinational corporation (MNCs) are an important part and play a major role in the business environment nowadays (Er & MacCarthy, 2006). Ghoshal and Bartlett (1990) note that an MNC consists of a group of geographically dispersed and goal-disparate organizations that includes its headquarters and the different national subsidiaries. There are many sector in MNCs such as oil and gas, constructions, manufacturing and others but researcher only focus in manufacturing sector.

The manufacturing industry in international level has been beleaguered by obstacles. Nearly every news outlet has covered the closing of factories, labor disputes between companies and their employees or reductions in force due to the shift of labor off-shore. The reputation of the industry has been marred by low wages and less than desirable working conditions, in addition to quality-control problems.

The biggest obstacle facing the manufacturing sector today is the lack of skilled training. Employers are struggling to find individuals who are skilled and mechanically adept. The lack of skilled laborers hinders productivity, creating a disadvantage against off-shore competitors. Additionally, many companies struggle to find employees with strong work ethics, instead finding those who opt for lower pay in exchange for less quality work. In Malaysia, The manufacturing sector in Malaysia has a problem in maintaining its competitiveness, quality and Just-In-Time delivery. Nowadays, some manufacturers will outsource their production in order to maintain competitiveness. Malaysia is also lacks of technical and marketing skills and these make things worse. The manufacturing sector is deeply in need of the most recent engineering and technical skills. These skills are needed for the middle management level and people in this level are expected to design, innovate and adapt new technologies to the manufacturing environment.

The same problem also occurs in Hokuden (M) Sdn. Bhd. The company's management is only concerned about the quality of the product. The percentage of the company's product quality is decline because customers often return the products have been subscribed because the product does not work, a product has been damaged and so on. Not only that, there are unskilled workers and have severe behavioral also a big factor contributing to the quality problems. This is because, the employee will only perform the duties as specified in the procedure, but they are not careful and efficient in solving the task. So, they were able to complete their tasks, but the result is poor. So, the company is looking solutions and try to make some innovation to increase their employee's competencies. For example, provide a lot of training for employees, imposing punishment for employees who fail to comply with regulations, superiors constantly monitor employees perform their duties from time to time and so on.

Based on that explanation, researcher found that many previously researchers study about make some innovation in develop employees competencies. Based on the research Lucarelli (2004), he make a study of developing competencies and capabilities through human capital development such as training and education. Rijamampianina (1999) have been make a research about developing competencies through multicultural learning. Other than that, Armstrong (2012) make a study

about developing competencies through reward system. Most of previously researcher have been made a research about improve employees competencies through Human Resource elements. Lack of researcher who are make a research about Innovation Work Behaviour (IWB).

However, to develop employees competencies, the employees should have IWB but the top management and employees in Hokuden (M) Sdn. Bhd. lacking of knowledge and elements of IWB. This matter has been a problem in this study. Thus, to achieve innovative work behaviour, each of employees should have intrapreneurial competencies. However, there are managers, leaders and workers have less knowledge and awareness of intrapreneurship competencies. For example, Longenecker et al. (1999) argue that when an organization fails to achieve the desired outcome, this is often attributed to the actions or inactions of the top management in particular, management's failure to create a clear vision and direction for the organization, failure to adapt to changes, inability to develop effective strategies, poor business forecasting and planning, poor decision making and failure to have a clear understanding of the business, the sector and the specific industry. The example of that behaviour based on that statement are among of component of intrapreneurial competencies.

Based on explanation above, clearly showed that intrapreneurial competencies can influence the IWB so that employees can perform their work properly through using a smart work style. So, the question is, the extent to which intrapreneurial competencies can have an impact on innovative work behavior? For this goal, there are three specific questions that try to solve. Below is that three questions:

- i. What is the level of intrapreneurial competencies practiced by workers in organisation studied?
- ii. What is the level on innovative work behaviour practiced by workers in organisation studied?

- iii. How are the relationship between intrapreneurial competencies and innovative work behaviour in organisation studied?

1.3 Research Objectives

Based on the objectives of this study, this research come out with three objectives. These objectives are:

- i. To identify the level of intrapreneurial competencies practiced by workers in organization studied.
- ii. To identify the level of innovative work behaviour practiced by workers in organisation studied.
- iii. To investigate the relationship between intrapreneurial competencies and innovative work behaviour in organisation studied.

1.4 Research Hypothesis

Based on combining the concepts of intrapreneurial competencies and innovative work behaviour, researcher describing a hypothesis for their relationship:

(H₀): There is no relationships between intrapreneurial competencies and innovative work behaviour.

1.5 Scope of Study

The scope of this study involves the staffs from Hokuden (M) Sdn. Bhd. in Bandar Tenggara, Johor Darul Takzim. Furthermore, the staffs who are being as senior supervisor and supervisor from all department except Admin, Finance, Purchasing and Sales department that become as research subjects. Moreover, this research is focusing on the relationship between intrapreneurial competencies and the innovative work behaviour. Therefore, research scope focuses on intrapreneurial competencies as independent variables and innovative work behaviour as the dependent variable.

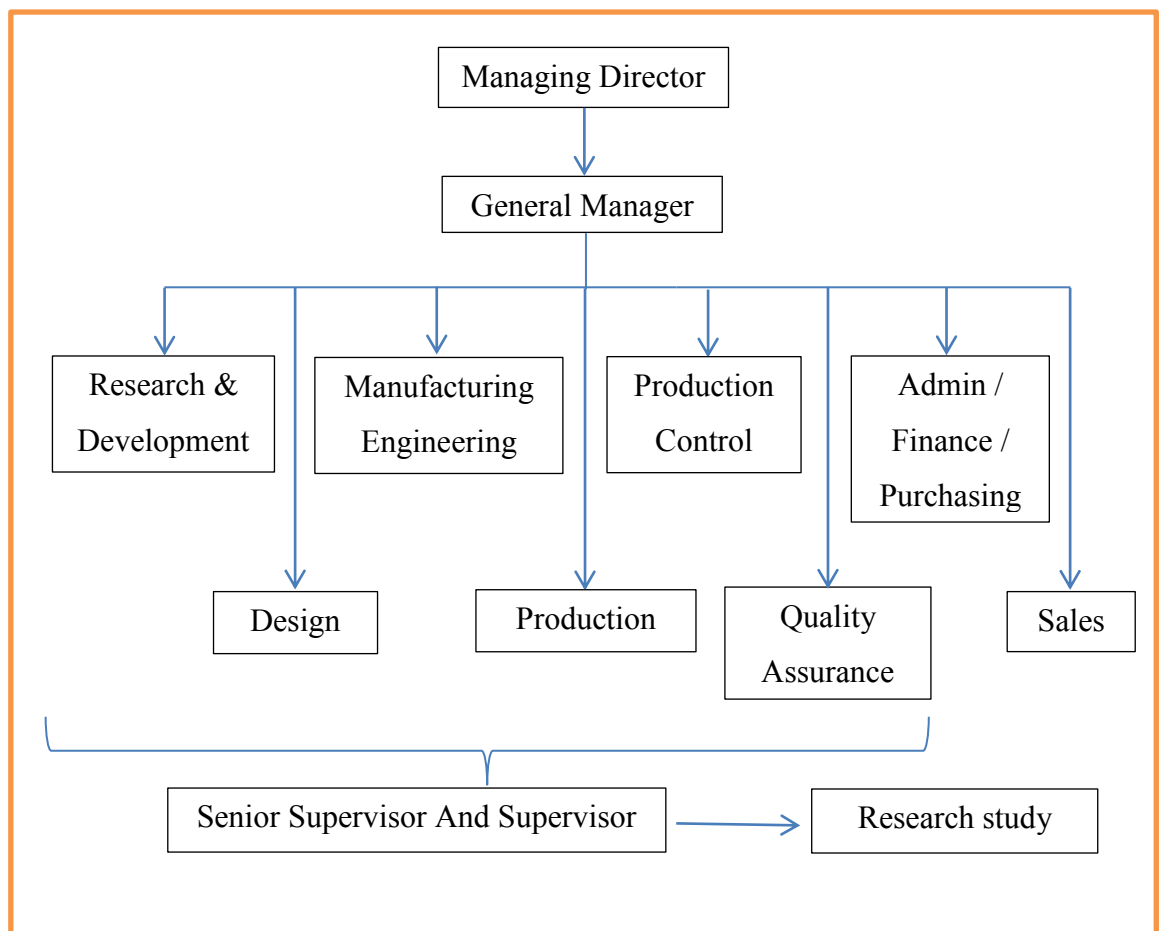


Figure 1.1 : Organization Structure

1.6 Limitation of Study

The sample for this study only focused on staff who served as senior supervisor and the supervisor in Hokuden (M) Sdn. Bhd. at Bandar Tenggara, Johor Darul Takzim. Moreover, the findings and results obtained from this study may not involve other individuals who are in a different field of work. Caused by factors such as having a limited time, financial resources are not sufficient and for personal reasons, the sample for this study only focused on one organization only and the information from the study is limited to a few topics.

This study obtained information using closed questionnaire. On the other hand, Subjects of the study only provides feedback based on the answers provided. Measurement devices used in this study is based on items that were adapted from previous research. In addition, Although the findings from previous research is that the results are reliable, but it is limited to the context of this study. However, the level of honesty that has been provided by the subject of this study is beyond the control of the researcher.

1.7 Importance of Study

Researcher have emphasized the importance of some things that can be obtained on the basis of this research. The interests are divided into two categories in terms of theory and practical. Here is an interest that has been emphasized:

1.7.1 Theoretical Perspectives

As we know, every individual in each of field work has their own competencies and work behaviour in running their job. However, that is not assurance that they can give a quality performance in their work. Other than that, have a good work behaviour also cannot ensure the employees can enhance their performance in their workplace. It is because, even employees have a good work behaviour but they cannot provide an innovative and effective outcome because they lack of quality competence. That is why the researcher accomplish this research so that peoples can gain their knowledge about intrapreneurial competencies that can help them improve their behaviour become more innovative. Moreover, not all people know about intrapreneurial competencies. They do not know that intrapreneurial competencies is a skills that difference from others skills. It is because, based on intrapreneurial efficiency, they can know how to create innovative ideas, how to communicate with other peoples with more prudent and smart, how to grab an opportunity to promote ourselves in workplace, how to solve the problems in a different ways and others. So, through this research, peoples can improve their knowledge about intrapreneurial competencies and can change their behaviour towards innovative work behaviour.

1.7.2 Practical Perspectives

Researcher hope that this research can create awareness in every persons that intrapreneurial competencies is a something that very important and useful for them that can help them to achieve their objectives in their work. When they aware, they will apply these efficiency when accomplish their tasks at once they can sharp their skills that they already have. Furthermore, their work behaviour will become more creative and effective and also can help to enhance their organization performance. Not only that, employees can respond on their work with smart and innovative behaviour. When they has innovative work behaviour, they can provide unique and creative idea in helping their organization to provide a highest quality products or services, they also can facing the challenges at their workplace with smart attitude and so on. So, to change the employee's behaviour towards innovative work