

THE RELATIONSHIP BETWEEN INTRAPRENEURIAL COMPETENCIES,
PERSONALITY AND INNOVATIVE WORK BEHAVIOR: CASE STUDY OF
MANUFACTURING COMPANIES IN MALACCA

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The thesis is submitted in partial fulfillment of the requirements for the award of
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DECLARATION

“I hereby declare that this project paper is the result of my independent work except the summary and experts that have been specifically acknowledgement”

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DEDICATION

I would like to dedicate this work to my beloved family especially my mother and father that always supported each step of the way need through.

Thank you to my supervisor En. Amir Bin Aris for all the spirituals and moral support that had been given to me all the time.

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ABSTRACT

The issue of high job turnover has become a major issue that often appears in the manufacturing industry (Foreman, 2009). This resulted in a shortage of skilled workers in this industry. In order to clearly identify this issue, researcher have identified that innovation, intrapreneurial competencies, personality are the factor that able contributing to overcome of this problem. Hence, this research aims to identify whether there are relationship between intrapreneurial competencies, personality and innovative work behavior. There were five main objectives in this research. Firstly, to identify the level of innovative work behavior practiced by workers. Secondly, to identify the level of intrapreneurial competencies practiced by workers. Third, to investigate the relationship between intrapreneurial competencies and innovative work behavior. Next, to investigate the relationship between personality and innovative work behavior. Lastly, to investigate the relationship between intrapreneurial competencies, personality and innovative work behavior. The research was completed by using quantitative method and there were received 115 questionnaires from 3 manufacturing companies in Malacca. Analysis method was using regression analysis for hypothesis testing in this research. Furthermore, the results showed that there have significant relationship between intrapreneurial competencies, personality and innovative work behavior. It is believed that this research paper will beneficial to the industry practitioners and academicians for future reference.

Keywords: Intrapreneurial Competencies, Personality, Innovative Work Behavior, Manufacturing Industries

ABSTRAK

Isu pusing ganti kerja yang tinggi telah menjadi isu utama yang sering dipaparkan dalam industri pembuatan (Foreman, 2009). Keadaan ini menyebabkan berlakunya kekurangan pekerja mahir dalam industri ini. Bagi menjelaskan permasalahan ini, pengkaji telah mengenalpasti bahawa inovasi, kompetensi keusahawanan, personaliti merupakan pembolehubah yang menjadi factor penyumbang kepada penyelesaian masalah ini. Justeru, kajian ini bertujuan untuk mengenal pasti sama ada terdapat hubungan antara kompetensi intrapreneurial, personaliti terhadap tingkah laku kerja yang inovatif. Terdapat lima objektif utama dalam kajian ini. Pertama, untuk mengenal pasti tahap tingkah laku kerja inovatif yang diamalkan oleh pekerja. Kedua, untuk mengenal pasti tahap kompetensi intrapreneurial yang diamalkan oleh pekerja. Ketiga, untuk mengkaji hubungan kompetensi keusahawanan terhadap tingkah laku kerja inovatif. Keempat, mengkaji hubungan personaliti terhadap tingkah laku kerja yang inovatif. Kelima, mengkaji hubungan kompetensi keusahawanan, personaliti dan tingkah laku kerja inovatif dalam organisasi yang dikaji. Kajian ini telah dijalankan dengan menggunakan kaedah kuantitatif melalui responden berjumlah 115 orang dari tiga syarikat pembuatan di Melaka. Kajian ini menggunakan analisis regresi dan korelasi untuk tujuan pengujian hipotesis dalam kajian ini. Keputusan menunjukkan bahawa terdapat hubungan yang signifikan antara kompetensi keusahawanan, personaliti dan tingkah laku kerja yang inovatif. Akhir sekali, kajian ini akan memberi manfaat kepada pengamal industri dan ahli akademik untuk rujukan masa hadapan.

Kata Kunci: Kompetensi Keusahawanan, Personaliti, Tingkah Laku Kerja Inovatif, Industri Pembuatan

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LIST OF ABBREVIATIONS

%	=	Percentage
SPSS	=	Statistical Package for Social Science
PSM	=	Project Sarjana Muda

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

The fast pace of globalization and technology had seriously bring effects to the business world. Business firms today are experiencing the challenges of decreasing demand and increasing international competitors which are more developed in financial strength and technologies (Wickramaratne et al., 2014). In recent years, turnover rate of employees in Malaysia had gradually increased. It had brought negative effect to business market. However, there also found that there was lack of skilled workers in manufacturing industry. Thus, it is need for the organization to generate innovative idea in order to overcome these problems. Besides that, it is means that the role of entrepreneur in business venture become important and it is studied through the competency approach (Bird, 1995 and Chandler & Jansen, 1992).

Organization managers and leaders need to understand corporate entrepreneurship (Intrapreneurship) is become important within an organization because it is enable to strategizing organizational viability and lead to a better future. Intrapreneurship is exploitation and identification of opportunities within current organizations. According to De Jong et al. (2011), intrapreneurs are like the in-house entrepreneurs who have the ability to increase the speed and cost-effectiveness of technology transfer from R&D to the marketplace. Intrapreneur can develops

opportunities for organization through generate new idea, create another ways to improve the performance of organization.

Competencies are categorized into knowledge, characteristics and skills (Mojab et al., 2011). It is also means that competencies are the combination of measurable knowledge, abilities, commitments, skills and personal attributes that enable a person to perform effectively in a job. Besides that, it is also means that an individual who works in a given occupational area should be able to achieve. It is a description of an action, outcome and behavior which an individual has the ability to demonstrate.

Intrapreneurial competencies are one of the competencies which can provide more ability and impact to individuals in a workplace. Intrapreneurial competencies are defined as the individual characteristics which include attitude and behavior and it allows the intrapreneur to achieve business success (Sarwoko et al., 2013). Intrapreneurial competencies can help organization to improve their performance, capability, find out solutions to solve and reduce problems, competitive scope and have better business development. It is able to develop new products, services and lines of business in a company.

Moreover, intrapreneurial competencies can also give the impact on individual work behavior. Intrapreneurial employees who have the ability can lead others people in a special ways in order to improve their behavior become innovative work behavior (IWB). According to Farr and Ford (1990) stated that innovative work behavior as an individual's behavior aim to achieve the initiation and intentional introduction (within a work role, group or organization) of new and useful ideas, processes, products or procedures. They can generate a new idea in order to perform and handle a task. Thus, intrapreneurial competencies are important to organization growth and success.

In addition, personality also gives the impact on innovative work behavior. Kinicki (2008) indicated that personality represents a stable set of characteristics that are responsible for a person's identity. Those characteristics of an individual can contribute

benefit to an organization in order to improve the overall performance. The big five personality are meaningful drivers of individual behavior and performance. It can provide unique idea and thinking in order to enhance the performance of organizations.

1.2 Problem Statement

In the economy today, each organization are put their efforts to compete with others competitors. Organizations need to gain the competitive advantage in order to sustain in this business world. It is supported by Wang (2014), competitive advantage is obtained by an organization when it able develops or acquires a set of attributes that allow it to outperform its competitors. Therefore, competitive advantage is very important for each organization because it could let the organizations to keep improve their performance and survival in the future.

The fast pace of globalization and technology had seriously bring effects to the business world. It is also bring some impacts to marketplace because most of the organizations do not know how to improve their organization operation and performance in order to fulfill the customer's needs and wants. In the manufacturing industry, it is the industry that significant to community and country because of provide various jobs to community and increase the national income.

However, the employee turnover rate had gradually increasing in recent years. Turnover rates are higher in emerging markets especially in Asian countries (Malila, 2011). Employee's turnover had become one of the challenge issues in business nowadays. It has proven to be one of the most costly and intractable challenges that confronting by organizations globally (Shamsuzzoha et al., 2007). This issue of high turnover rate also has become a main key issue that often highlighted in manufacturing industry (Foreman, 2009).

According to Hellman (1997), turnover can be defined as the intention of the behavioral intentions that demonstrate an individual's intention to leave or stay and is considered to be the primary antecedent or actual turnover behavior. Some of the employees in manufacturing industry had feel not satisfy with the benefit given by organization. Therefore, employees are seeks for challenging jobs and good working environment in working place as well as want diversities in their life (Shamsuzzoha et al., 2007).

Furthermore, employee turnover in organization can bring negative effect to the organization's performance (Muhammad et al., 2013). It will lead to high cost and lower the employees' morale (Nadiri & Tanova, 2010). It is means that employee turnover may be costly because it requires different cost to take account such as administrative costs of recruitment, cost of replacement, training cost for the new employee and so on (Shamsuzzoha et al., 2007).

In addition, employee turnover can bring negative effect to the organization performance such as organizations suffer the loss of job-specific skills, disruption in production, additional work that must be absorbed by remaining employees and so on. As noted by Govaerts, Kyndt, Dochy and Baert (2011), organizations have given a lot of effort to gain skilled employees and retain them in the organization at the same time. Organizations had invested a lot of capital on the employees in terms of training, development and induction, and retaining of the employees. Therefore, it is important for organization to minimize the problem of employee turnover in order to retain skilled employees in their organization.

Thus, the obstacle face by the manufacturing industry is the turnover rate for employees and lack of skilled workers. These issues within organizations is possible to give any effects to organizations such as lower productivity, higher labor cost, low performance and so on. In order to overcome these problems, organizations are needed to find the solutions and try to make some innovation to enhance their employees'

skilled ability. It found that some of the previously researchers had study about the innovation is significant for organizations.

According to Kanter et al. (1983), innovation is significant important for organizations in order to survive and thrive in today's highly turbulent business environments. Innovation is also like the competitive advantage that enables the organizations to compete with other competitors. It is emphasize the need to promote innovation in the manufacturing industry. Therefore, organizations need have some innovation ways to overcome the problems in order to enhance the performance of organizations. Innovation can be perform by an individual or an organization and then generate innovative idea to lead other workers to enhance their work ability and attitude.

Other than that, Sosik et al. (1999) indicated that employee creativity behavior can be considered as the significant element and it can contribute to competitive advantage for organizations. Therefore, organizations can make some innovation in develop employee's competencies. In order to achieve the innovative work behavior, it is a must that have the intrapreneurial competencies. According to Sarwoko et al. (2013), intrapreneurial competencies can be defined as the individual characteristics which include attitude and behavior and it allows intrapreneur to achieve business success. However, Felicio et al. (2012) stated that intrapreneurship influence on the growth and improvement factor and it also can enhance the performance and development of organizations. Thus, it is able to promote the innovative work behavior for employees through the intrapreneurial competencies.

In addition, it was also found that some previous research had make study about personality help to enhance the organization performance. Colquitt (2009) defines personality traits as the structures and propensities of a person which explains his or her characteristic patterns of thought, emotion and behavior. Through an individual's personality, it is able to enhance his or her innovative work behavior as well as help to enhance the organizational performance. However, there is lack of researchers who make a research about the Innovative Work Behavior (IWB). This research will study