

## DECLARATION

‘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 RELATIONSHIP BETWEEN  
HUMAN RESOURCE DEVELOPMENT, PERSONALITY  
AND INTRAPRENEURIAL COMPETENCIES : CASE STUDY OF  
MANUFACTURING COMPANIES

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

Faculty of Technology Management and Technopreneurship  
Universiti Teknikal Malaysia Melaka

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## DECLARATION OF ORIGINAL WORK

I declare that this project entitled “The Relationship between Human Resource Development, Personality and Intrapreneurial 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 : .....

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Date : .....

## **DEDICATION**

Specially dedicated to my beloved family members

Thanks to my dear friends

Thank you to my supervisor

En. Amir bin Aris

For all the spiritual and moral support that had been given to me all the time.

## **ACKNOWLEDGEMENT**

I have taken efforts in this project. However, it would not have been possible without the kind support and help of others. I would like to extend my sincere thanks and appreciation to all of them.

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## **ABSTRACT**

In the world today, employees play important role in the process of developing the organization. Competencies of employees are important in developing the organization. Human Resource Development has many elements like training and development. Training and development activities are used to improve intrapreneurial competencies of employees. Moreover, personality like Big Five personality are also concern in this study. Personality of employees is important to identify the competency of employees. Personality will influence the competency and performance of employees. Therefore, Human Resource Development (training and development) and personality can effect on intrapreneurial competencies. This study will be conducted in manufacturing companies in Malacca state. Data will be collected from 115 respondents through questionnaire survey and data analyzed by using Statistical Package for Social Science (SPSS). The study found strong evidence for the hypothesis that the relationship between Human Resource Development, personality and intrapreneurial competencies.

**Keywords: Human Resource Development, Human Resource, Training, Development, Personality, Big Five personality, Intrapreneurial Competencies**

## ABSTRAK

Dalam dunia hari ini, pekerja memainkan peranan penting dalam proses pembangunan sesebuah organisasi. Kecekapan pekerja adalah penting dalam membangunkan sesebuah organisasi. Pembangunan Sumber Manusia mempunyai banyak unsur-unsur seperti latihan dan pembangunan. Pelbagai aktiviti latihan dan pembangunan digunakan untuk meningkatkan kecekapan intrapreneurial pekerja. Selain itu, personaliti seperti Besar Lima personaliti juga dititikberatkan dalam kajian ini. Personaliti pekerja adalah penting untuk mengenal pasti kompetensi pekerja. Personaliti akan mempengaruhi kecekapan dan prestasi kakitangan. Oleh itu, Pembangunan Sumber Manusia (latihan dan pembangunan) dan personaliti boleh memberi kesan kepada kecekapan intrapreneurial . Kajian ini akan dijalankan dalam syarikat-syarikat pembuatan di negeri Melaka. Data akan dikumpulkan dari 115 responden melalui soal selidik dan data dianalisis dengan menggunakan Pakej Statistik untuk Sains Sosial (SPSS). Kajian ini mendapati bukti kukuh untuk hipotesis bahawa Pembangunan Sumber Manusia, personaliti dan kecekapan intrapreneurial mempunyai hubungkait antara satu sama lain.

**Kata kunci: Pembangunan Sumber Manusia, Sumber Manusia, Latihan, Pembangunan, Personaliti, Big Five personaliti, Intrapreneurial Kompetensi**

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## LIST OF ABBREVIATIONS

HRM	-	Human Resource Management
HRD	-	Human Resource Development
RBV	-	Resource Based View
VRIN	-	Valuable, Rare, Inimitable and Non-substitutable
LPOs	-	Large Private Organizations
IM	-	Interactive Management
SPSS	-	Statistical Package for Social Science

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter is discussing the background of study, problem statement, research questions, research objectives, research hypothesis, scope of study, limitation of study, significance of study, and definitions of conceptual and operational.

#### **1.2 Background of the Study**

Intrapreneurship is entrepreneurship within an existing organization. Intrapreneurship is the process of enhancing the ability of the organization to acquire and utilize the innovative skills and abilities of the organization's members. Intrapreneurship can help to improve organizational performance by increasing opportunities for success when face more complex and competitive scenarios (Amo and Kolvereid, 2005).

Competence is a concept that has many faces and applications, and models of intrapreneurial competence are grounded in these various approaches to and notions of the concept of competence. Intrapreneurial competencies have been identified as a specific group of competencies relevant to the exercise of successful entrepreneurship. Intrapreneurial competencies also defined as individual characteristics such as knowledge, skills, and/or abilities required to be performed a specific job (Baum et al.,



2001). Intrapreneurial competencies are deeply rooted in a person's background that can be acquired at work or through training and education. Training and developing human capital has a reputation for valuing employees and, consequently, increase the quantity and quality of the pool of candidates. Intrapreneurial and intrapreneurial competencies are perceived as similar in many aspects. Entrepreneurs and intrapreneurs distinguish themselves as leaders with an impact on the organizational culture, being innovative and expressing the need to move from their current position to a higher platform (Hisrich, 1988).

Human Resource Management (HRM) plays a key role in intrapreneurial firms as the shaker and mover in firm development and growth (Keating and Olivares, 2007). HRM aims to provide knowledge and awareness of issues related to Human Resource Development (HRD). HRD is important element in determining the competencies of intrapreneurship within an organization. HRD will affect the intrapreneurial competencies by its training and development.

Furthermore, personality traits of entrepreneurs will also affect the intrapreneurial competencies. In this study, Big Five factors of personality are used to study the effect on intrapreneurial competencies. It includes traits of extraversion, conscientiousness, agreeableness, neuroticism, and openness to experience (Costa and McCrae, 1992).

There are previous studies about the relationship between HRD and intrapreneurial competencies (Maryam, 2015; Martin, 2015; Afsaneh et al., 2013; Alexander and Andrea, 2013). Besides, researches about the relationship between personality and intrapreneurial competencies also carried out by researchers (Gudonavicius and Fayomi, 2014; Tiina, 2006; Schmitt-Rodermund, 2004). Therefore, there is still have many uncertainty and unexplored in previous researches.

### 1.3 Problem Statement

Manufacturing is defined as the transformation of materials and information into goods for the satisfaction of human needs, one of the primary wealth-generating activities of any nation (Chryssolouris, 2005). Manufacturing industry is those industries which involve in the manufacturing and processing of items and indulge in either creation of new commodities or in value addition. The final products can either serves as a finished good for sale to customers or as intermediate goods used in the production process. Manufacturers in high-wage countries are exposed to an intensive international competition (Zaeh et al., 2010). Manufacturing industry is important for an economy as it employs a huge share of labor force and produce materials required by sectors of strategic importance. In order to stay competitive, companies are forced to deploy manufacturing technologies which are best suited to fulfill future requirements (Klocke, 2009). Employees in manufacturing industry are crucial for sustainability of competitive advantage in economy. Malaysian manufacturing sector is ranked in the 23<sup>rd</sup> position among the world countries. The Malaysian electrical and electronics (E&E) industry is accountable for 26% of manufacturing output and is considered as the largest single contributor to the manufacturing sector. According to Malaysian Industrial Development Authority (MIDA), the data revealed that the manufacturing sector is attracting more foreign direct investment (FDI) in this sector as compared to service sector.

The manufacturing sector is an industry that is driven by knowledge and technology. Malaysia produces and promotes high-tech products and services. The rapidly changing technological products, manufacturing sector is lacking of technical and marketing skills as well. Challenges facing by manufacturing companies are lack of management skills and expertise (Tehseen and Ramayah, 2015). Besides, manufacturing sector also facing challenges like unskilled employees and lack of work motivation (Adhikari, 1999). Unskilled employees might cause the low productivity and quality of products because they do not have knowledge about technology. Lack of work motivation is one of the factors that employees contribute low productivity. Personality of the employees is important as a company should be concerned about.

Competency is a variable which can increase the management skills and expertise. Competencies are a cluster of related knowledge, traits, attitudes and skills that affect a major part of one's job; that correlate with performance on the job; that can be measured against well accepted standards; and that can be improved via training and development (Sachez, 2011). Intrapreneur's competencies are key resource of the organizations that are valuable as well. The valuable skills, knowledge and abilities of an entrepreneur may lead to sustainable competitive advantage of organization because intrapreneurial competencies are usually very rare and difficult for rivals to develop all essential competencies.

Employees are important assets in an organization and play an important role in improving the intrapreneurial competencies. Organizations need to invest in training and development of their human capital so that their capacity and capability will be improved (Jimenez and Valle, 2013). HRD is important part to enhance the intrapreneurial competencies. The training and development is used to improve and update skills, knowledge and experience of employees in the organization (Fong et al., 2011). Competency can be improved through various types of training and development. Organizations should provide trainings to employees for certain period to enhance their skills and knowledge. Moreover, personality can affect the entrepreneur whether to utilize intrapreneurial competencies in problem solving and job enhancement. Personality will reflect thoughts, feelings and actions across the situations. The Big Five factors of personality can be trained to enhance the intrapreneurial competencies. Personality can affect the productivity of employees and environment of working. Employee who has good personality will bring positive energy to the working environment and enhance the job performance. Inversely, employee who has bad personality will cause negative environment in work place and affect others' emotions and performances.

Therefore, this research will study the relationship between HRD, Personality and Intrapreneurial Competencies. HRD and personality are independent variables while Intrapreneurial Competencies as a dependent variable.

#### 1.4 Research Questions

This study is attempted to answer these following questions:

- i. What are the levels of Human Resource Development practices by employees in organization studied?
- ii. What are the levels of Intrapreneurial Competencies in organization studied?
- iii. What are the relationships between Human Resource Development and Intrapreneurial Competencies in organization studied?
- iv. What are the relationships between personality and Intrapreneurial Competencies in organization studied?
- v. What are the relationships between Human Resource Development, Personality and Intrapreneurial Competencies in organization studied?
- vi. What are the relationships between Training, Development, Extraversion, Agreeableness, Conscientiousness, Neuroticism, Openness and Intrapreneurial Competencies in organization studied?

## 1.5 Research Objectives

Based on the goals of the study, several research objectives are designed to achieve these goals. This study has six objectives which are stated below:

- i. To identify the levels of Human Resource Development practices by employees in organization studied.
- ii. To identify the levels of Intrapreneurial Competencies in organization studied.
- iii. To study the relationship between Human Resource Development practices and Intrapreneurial Competencies in organization studied.
- iv. To study the relationship between personality and Intrapreneurial Competencies in organization studied.
- v. To study the relationship between Human Resource Development, Personality and Intrapreneurial Competencies in organization studied.
- vi. To study the relationship between Training, Development, Extraversion, Agreeableness, Conscientiousness, Neuroticism, Openness and Intrapreneurial Competencies in organization studied.

## 1.6 Research Hypothesis

Based on combining the concepts of Human Resource Development, Personality and Intrapreneurial Competencies, hypotheses are developed as follow:

### i) Hypothesis 1

H0: There are no significant relationship between Human Resource Development practices with Intrapreneurial Competencies

H1: There are significant relationship between Human Resource Development practices with Intrapreneurial Competencies

H0<sub>a</sub>: There are no significant relationship between Training and Intrapreneurial Competencies

H1<sub>a</sub>: There are significant relationship between Training and Intrapreneurial Competencies

H0<sub>b</sub>: There are no significant relationship between Development and Intrapreneurial Competencies

H1<sub>b</sub>: There are significant relationship between Development and Intrapreneurial Competencies

### ii) Hypothesis 2

H0: There are no significant relationship between Personality and Intrapreneurial Competencies

H1: There are significant relationship between Personality and Intrapreneurial Competencies

H0<sub>a</sub>: There are no significant relationship between Extraversion and Intrapreneurial Competencies

H1<sub>a</sub>: There are significant relationship between Extraversion and Intrapreneurial Competencies

H0<sub>b</sub>: There are no significant relationship between Agreeableness and Intrapreneurial Competencies

H1<sub>b</sub>: There are significant relationship between Agreeableness and Intrapreneurial Competencies

H0<sub>c</sub>: There are no significant relationship between Conscientiousness and Intrapreneurial Competencies

H1<sub>c</sub>: There are significant relationship between Conscientiousness and Intrapreneurial Competencies

H0<sub>d</sub>: There are no significant relationship between Neuroticism and Intrapreneurial Competencies

H1<sub>d</sub>: There are significant relationship between Neuroticism and Intrapreneurial Competencies

H0<sub>e</sub>: There are no significant relationship between Openness and Intrapreneurial Competencies

H1<sub>e</sub>: There are significant relationship between Openness and Intrapreneurial Competencies

**iii) Hypothesis 3**

H0: There are no significant relationship between Human Resource Development, Personality and Intrapreneurial Competencies

H1: There are significant relationship between Human Resource Development, Personality and Intrapreneurial Competencies

### **1.7 Scope of the Study**

This study is conducted in Malacca by focusing on three manufacturing companies. The scope of this study is to investigate the Human Resource Development practices and Personality effects on Intrapreneurial Competencies. Besides, this study is focused on the middle management only in the three manufacturing companies in order to find out the effect of Human Resource Development practices and Personality on Intrapreneurial Competencies.

### **1.8 Limitation of the Study**

Every study will be limited by several constraints. This study also has several constraints. The first constraint in this study is the cost constraint. Cost which required to complete a full research is too high for student. This research is conducted with low budget cost but it is completed with sufficient information. Due to low budget cost for this study, the survey is conducted in Malacca only.

Time constraint also limited this study. There is insufficient time to conduct detail research and survey for this study. There are around eight months to complete this research and it is really rush in time. Insufficient time also caused this study only conducted in Malacca state. There is not enough time to conduct survey in other states and cost is high if conduct in other states.

### **1.9 Significant of the Study**

This study is expected to have a better understanding of Human Resource Development (HRD) and personality factors which are able to influence the Intrapreneurial Competencies. Review of literature in this study may be contributes to knowledge and practices. Aspects of HRD and personality can be found in the literature review.