## THE ROLE OF INDIVIDUAL ENTREPRENEURIAL ORIENTATION (IEO) AND DIGITAL STRATEGY PERFORMANCE OF COMPANY



## UNIVERSITI TEKNIKAL MALAYSIA MELAKA

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UNIVERSITI TEKNIKAL MALAYSIA MELAKA

### SUPERVISOR AND PANEL DECLARATION/APPROVAL

"I/We hereby declared that I/We had read

this thesis and this thesis are adequate in terms of

scope and quality which fulfil the requirement for the award of

Bachelor of Technology Management (Technology Innovation) with Honors."



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Date

## THE ROLE OF INDIVIDUAL ENTREPRENEURIAL ORIENTATION (IEO) AND DIGITAL STRATEGY PERFORMANCE OF COMPANY

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ALAYS!

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JANUARY 2023

### **DECLARATION OF ORIGINAL WORKS**

"I hereby declare that this report entitled **The Role of Individual Entrepreneurial Orientation (IEO) and Digital Strategy Performance of Company** is the result of my own research, except certain explanations and passages are cited as a reference in



Signature:

Name : FARZANA IZZATI BINTI ABDULLAH

Date : 25 JANUARY 2023

### **DEDICATION**

Every difficult task necessitates making efforts on one's own, seeking advice and direction from others, and drawing strength both from God and one's parents. My humble efforts. I thus dedicate this to Almighty God, esteemed Supervisor.

Amazing parents Abdullah bin Abdul Rahman and Aminah binti Mat Brahim.

Supportive siblings; Syarfa Nabilah, Hanis Syahirah, Harith Daniel.

My best friends; Ainiah, Farhanis & Hidayah,

and seniors who acted as a source of direction, support, and expertise for the researcher during the process of finishing this thesis.

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### ABSTRACT

The past few decades have seen significant technological changes including changes in the industrial landscape. Advances in technology, innovation in work processes, and global markets have increased pressure with exposure to the competition which in turn affects entrepreneurial practices and decision-making processes. Employees are the main factor in improving the performance of a company. Therefore, this study is to find out the individual-level entrepreneurial orientation (IEO) of employees in terms of being proactive, risk-taking, and innovative, achieving the goals and performance of the organization's digital strategy. As part of the empirical design, we introduce a four-dimensional scale for the performance of the organization's and individual digital strategy (Digital – Management, Infrastructure, Network, and development – MIND). With this scale, we contrast the informants' selfassessment of their individual performance with their assessment of the overall organizational performance. in this study, 120 samples were collected according to the Krecije&Morgan table and data analysis using SPSS, in addition, result also proved that there is a significant relationship between individual-level entrepreneurial orientation (IEO) which is proactive, risk-taking, and innovation and the digital strategy performance of the company. This shows that employees who are proactive, innovative, and dare to take risks will have a good effect and improve the company's performance in terms of the company's digitization. Further research will be done to increase the value of entrepreneurship in each individual to improve employee and company performance.

*Keyword:* Digital strategy, Individual entrepreneurial orientation, Proactive, Risk-taking Innovative, Performance.

#### ABSTRAK

Beberapa dekad yang lalu telah menyaksikan perubahan teknologi yang ketara termasuk perubahan dalam landskap perindustrian. Kemajuan dalam teknologi, inovasi dalam proses kerja, dan pasaran global telah meningkatkan tekanan dengan pendedahan kepada persaingan yang seterusnya menjejaskan amalan keusahawanan dan proses membuat keputusan. pekerja merupakan faktor utama dalam meningkatkan prestasi sesebuah syarikat. oleh itu kajian ini adalah untuk mengetahui orientasi keusahawanan peringkat individu (IEO) pekerja dari segi proaktif, mengambil risiko, dan inovatif, mencapai matlamat dan prestasi strategi digital organisasi. Sebagai sebahagian daripada reka bentuk empirikal, kami memperkenalkan skala empat dimensi untuk prestasi strategi digital organisasi dan individu (Digital - Pengurusan, Infrastruktur, Rangkaian dan pembangunan - MINDA). Dengan skala ini, kami membezakan penilaian kendiri informan terhadap prestasi individu mereka dengan penilaian mereka terhadap keseluruhan prestasi organisasi. dalam kajian ini, 120 sampel telah dikumpul mengikut jadual Krecije&Morgan dan analisis data menggunakan SPSS. Selain itu, keputusan juga membuktikan bahawa terdapat hubungan yang signifikan antara orientasi keusahawanan peringkat individu (IEO) yang proaktif, mengambil risiko, dan inovasi dan prestasi strategi digital syarikat. Ini menunjukkan bahawa pekerja yang proaktif, inovatif, dan berani mengambil risiko akan memberi kesan yang baik dan meningkatkan prestasi syarikat dari segi pendigitalan syarikat. kajian lanjut akan dilakukan untuk meningkatkan nilai keusahawanan dalam diri setiap individu bagi meningkatkan prestasi pekerja dan syarikat.

Kata kunci: Strategi digital, Orientasi keusahawanan individu, Proaktif, Inovatif Mengambil Risiko, Prestasi. **TABLE OF CONTENTS** 

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### **CHAPTER 1**

### **INTRODUCTION**



This research was conducted to investigate the role of individual entrepreneurial orientation (IEO) and the performance of the digital strategy in a company. This chapter contains several sections of the study. The first part of the study is the research background on individual entrepreneurial orientation (IEO) and digital strategy performance. The second section discusses the statement of problems that may arise stemming from the ways and characteristics The individual entrepreneurial orientation of each employee will impact the performance of the digital strategy. next, the problem statement acts as the core of this study. The third part of this research is the research questions. Next, this study will continue to discuss the research hypotheses, the scope and main assumptions of the study, the limitations of the study, and the importance of the study which will explain the contribution to the development of this research. The last part of this study is the structure of the thesis and a summary of the entire chapter.

### **1.2 Background of Study**

The past few decades have seen significant changes including changes in the industrial landscape. Technological advances, innovations in work processes, and markets globally have increased stress with exposure to the competition which in turn impacts entrepreneurial practices and decision-making processes. In addition, the integration of entrepreneurship and strategic digital management can assist firms in creating value for customers and gaining a competitive advantage in the industry. Organizations are constantly dealing with new technologies and incorporating them into their strategic goals. In addition, Hitt, Ireland & Hoskisson (2017) claimed that digital strategic management is required by firms that should place full emphasis on firm commitment, decision, and action to secure competition and strategic decisions.

Technology is a facility that can help and facilitate human beings in all things. In general, digital technology is a tool that no longer uses manpower manually but is more of an automated operating system with a computer system or a computer-readable format. as is well known, in management, digital technology also helps to streamline the management system. organization. In this age of technology, digital technology is the most effective tool for formulating a strategic smooth-running plan. Most businesses and companies have used and incorporated digital strategies in their organizations and strategy formulation. According to Bharadwaj et al. (2017), digital strategy is "an organizational strategy formulated and implemented by utilizing digital resources to create differentiated values". Therefore, the digital strategy is important for an organization. As a result, more and more organizations are choosing to incorporate digital aspects into their strategies and implementation Volberda (2021). As is well known in 2019 the world was attacked by a virus called Covid 19. Klein and Todesco (2021) stated that the Covid 19 virus epidemic crisis has also accelerated this development significantly and has exposed the challenges inherent in digitization.

Baskaran (2017) state that an entrepreneurial orientation of employees is an important aspect in most firms, especially in the manufacturing sector. It can be considered a key element in the field of entrepreneurship. Based on Huang & Wang (2011) Strategically-oriented firms will take into account several aspects of entrepreneurship including decision-making methods. work concepts. and management practices. Failure to act based on entrepreneurial orientation can hurt the organization or incur losses because the opportunity can be seized by competitors in a short time. This situation will result in top management not being able to ensure that the organization functions properly in business dealings. In addition, based on a study by Bositan and Hisrich (2018) showed that efforts to improve quality in organizations require the active involvement of employees in terms of generating new and innovative ideas. The role of employee-level entrepreneurial orientation in terms of proactive, risk-taking, and innovation is important in organizations on employee performance in achieving the goal of starting a digital organization. Therefore, the study conducted by this researcher aims to investigate the role of Individual Entrepreneurial Orientation (OEI) to the performance of digital strategies and will provide implications that harness the potential of entrepreneurship.

Finally, this study focuses on the Individual Entrepreneurial Orientation of employees that contributes to the company's performance strategy. Entrepreneurial behaviour is important in improving the performance of digital strategies in a company. Entrepreneurial behaviour is an important component in an organization's ability to cope with the simultaneous demands of a rapidly changing external environment and the inherent tendency in an organization to become more rigid as its size grows. Employees are an essential element in the success of an organization and company. Therefore, it is desirable to know how each employee's orientation helps or hinders the improvement of the company's digital performance and strategic goals.

### **1.3 Problem Statement**

Over the past two decades, economic growth has changed rapidly due to contributions from the manufacturing sector. However, the situation changed when almost because the world was hit by the pandemic Covid 19 which had a significant impact on all industries indirectly the country's economy. Therefore, the company needs to implement a digital strategy to maintain the company performance.

The first problem occurs at the beginning of the digital strategy implementation. Javiad Butt (2020) state that at the beginning of this implementation unskilled workers related digital strategies such as machinery to the provision of digital services that leverage manufacturing data, the Internet of Things (IoT), and software solutions to offer new digital value propositions to companies.

The next problem is, according to Javiad Butt (2020) that the employee does not get the exposure related to the digital changes that will be applied to him in the manufacturing industry. Therefore, the superiors do not know the level of entrepreneurial orientation of each of its employees which will have an impact on the entrepreneurial and innovative potential of the employees in the digital transformation. The next problem is individual employee entrepreneurial behaviour that is not at the level it should be is among the problems in the digital strategic transformation of an organization. Therefore, this study, which focused on individual agency and entrepreneurial behaviour is desirable to ensure smooth productivity.

Previous research has found that the innovation variable produces varied and inconsistent effects. For example, disagrees that creativity is a decisive component of implementation success. This is because each employee's level of creativity and innovation is different. However, there are some who believe that the innovation variable produces mixed and inconsistent outcomes. According to Bianca Miller (2019), high rates of failure are caused by entrepreneurs who are not innovative and do not implement innovation in their businesses.

Lastly, this study was conducted to resolve the issue of entrepreneurial orientation at the employee level in terms of proactive dimensions, risk-takers, and innovation and capital relations in the organization on the performance of employees in achieving the strategic goals of the organization Hayden (2018). According to Hughes (2019) employee performance plays an important role in boosting productivity. It is important for companies to improve employee performance at a good level to control the business in the company as well as achieve the organization's digital strategic goals.

### 1.4 Research Questions

- I. What is the dimension of individual entrepreneurial orientation that contribute the achievement of company digital strategy?
- II. What is the main dimension of individual entrepreneurial orientation (IEO) that contribute the achievement of company digital strategy?
- III. What is the relationship between dimension of individual entrepreneurial orientation (IEO) and the achievement of company digital strategy?

### 1.5 Research Objectives

I. To identify the dimension of individual entrepreneurial orientation that contribute the achievement of company digital strategy.

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- II. To determine the main dimension of individual entrepreneurial orientation (IEO) that contribute the achievement of company digital strategy.
- III. To evaluate the relationship between dimension of individual entrepreneurial orientation (IEO) and the achievement of company digital strategy.

#### **1.6** Scope and Limitation of Study

Research design is a comprehensive action plan that includes a complete strategy of how the research will be conducted. According to Warliani (2017), the design of this study serves as a road map that researchers need to follow throughout data collection, analysis, and finally, the synthesis of research results. The scope of the study also determines the extent to which the research area will be investigated in the work and indicates the parameters that will operate in the investigation. The scope of the study can be specified in the introduction of the study. In short, this shows that the researcher will be responsible for determining the scope of the study as well as the areas to focus on.

### HALAYSIA

This research focuses on the role of individual entrepreneurial orientation (IEO) at the employee level in terms of Proactive, risk-taking and innovative, and digital strategy performance of the company. In this study, the researcher wants to study whether the role of individual entrepreneurship will have an impact on the digital strategy performance of the company. According to Paavo & Abayomi (2021), employees who have a high level of entrepreneurship such as Proactivity, Innovation and taking risks have the potential to improve the company's performance. By conducting this study, the researcher needs to use the data that has been collected from the questionnaire. This questionnaire will be donated to workers in the industrial sector in Malaysia. The target number of respondents to answer this questionnaire is a total of 100 respondents who are industrial workers. The study population consisted of workers in the industrial sector in Malaysia. The reason why the researcher targets this scope of respondents is to obtain more accurate and honest information from the respondents so that the research findings are correct and accurate as estimated.

This study also contains several limitations that may affect the results, either directly or indirectly. First, the boundaries to find a suitable study area or company. research area focused on organizations and employees in companies that carry out digital strategies. this is because not all organizations incorporate digital strategy into company operations. Therefore, this study focuses more on companies that use digital services such as digital machines, Internet of Things (IoT), and software solutions. the second is the limitation of obtaining information from employees such as conducting face-to-face interview sessions in view of the spread of the Covid-19 epidemic. The interview and questionnaire sessions will be held virtually or online therefore it has some limitations such as short interviews due to schedule conflicts and unstable internet.

#### 1.7 Research Significance

This research will provide a study related to the role of individual entrepreneurial orientation (IEO) and digital strategy performance in the industrial sector in Malaysia. Research design can capture the real role of employees 'individual entrepreneurial orientation (IEO) in terms of Proactive, risk-taking, and innovation as well as provide implications that harness employees' entrepreneurial and innovative potential in digital transformation.

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As a result of this study, the management can identify the level of each employee based on the measurement of the Individual Entrepreneurship Orientation system guidelines that will be conducted on each industry employee in implement ing and achieving the company's digital strategy goals. This directly, management can anticipate and find improvement measures that need to be taken to achieve goals and improve the performance of the company's digital strategy.

### 1.8 Summary

From all of the Chapter 1, researcher has introduced the general research topic by stating the background of the study, Problem statement, research objective, Research questions and the significance of doing this study. From this chapter, researcher already outlined al the content that researcher need to include in each chapter. Thus, in the next chapter, researcher will provide more information and relevant past study in order to support the research topic.



### **CHAPTER 2**



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This chapter two, the researcher presented past studies related to the scope of this study. The researcher determines the role of individual entrepreneurial orientation of industrial workers and the performance of digital strategies in the company. In this study, the researcher reviewed previous studies related to the topic to be collected and used as a guide on this matter. In this literature, the researcher highlights some things related to the individual entrepreneurial orientation each employee gives that will not respond and give to the performance of digital strategies. Based on studies from previous studies, there are many sources of literature related to the role of individual entrepreneurial orientation and the performance of digital strategies. Therefore, it enhances the knowledge of researchers to build a deeper understanding of this research.

### 2.2 Entre pre ne urial

Entrepreneurship is a way of thinking that involves constantly looking for new and better ways of doing things. The word "entrepreneurship" comes from a French word from the 1600s that means "to undertake" or, more specifically, "to undertake" a particular project or activity. Schumpeter argued that entrepreneurs are innovators who drive the process of "creative destruction" by changing or completely changing the way things are made. Sustainable businesses are making major changes, if not complete revolutions, in the way goods and services are made and sold. They also change the way businesses work in ways that help the environment and society. According to Covin and Miller (2016) entrepreneurial efforts consist of formulating and launching a new firm, as well as establishing and implementing a business marketing plan, usually with the final objective of selling the company to realize a profit entrepreneurship is the nature of the entrepreneurial opportunity that makes it possible to build a new firm. To identify prospects for starting one's own business, one must first be alert, then actively hunt for such opportunities, and finally compile information on innovative concepts for products or services. Passion for one's business is a key factor in determining successful entrepreneurial behaviour. For example, Stenholm and Renko (2016) state that in the context of resource constraints, entrepreneurial spirit encourages individuals to display certain entrepreneurial behaviors such as bricolage. Therefore, the entrepreneurial nature of each individual is a shadow to the performance of the individual or the company. Be sure that the higher the entrepreneurship of the individual, the higher the attainability of self and company prestige.

### 2.3 Individual Entrepreneurial Orientation (IEO)

Miller (1983) was the first to envision and develop the concept of entrepreneurial orientation (EO), which consists of three dimensions are innovativeness, proactiveness, and risk-taking. Covin and Slevin (2017) popularized it further in the concept of entrepreneurial strategic positioning (ESP) Nadratul and Abdul, (2021). Based on Ormrod and Henneberg (2012), entrepreneurial strategic positioning (ESP) refers to how new businesses react to changes in their environment and adjust or transform their market position after being formed in a business climate that is highly competitive. According to the findings of previous research, ESP plays an important role in the promotion of entrepreneurial learning efforts in highly competitive situations and helps entrepreneurs mitigate the problems they face, which ultimately leads to greater performance Fernet, (2016). Besides, Nadratul and Abdul (2021) stated that Lumpkin and Dess are established a five-dimensional model of EO that encompasses autonomy, creativity, risk-taking, pro-activity, and competitive aggression after conducting a more in-depth study of EO development.

In this study, the researcher has chosen the first perspective which are innovation, proactive, and risk-taking. This is because the first perspective that is closest and most related to the research that has been done by the researcher is the role of individual entrepreneurial orientation and digital strategy performance of the company. to measure digital strategy company performance, the researcher has chosen the first perspective which is through the dimensions of risk-taking, innovation, and proactive.

Moreover, Entrepreneurial Orientation (EO) is usually to be studied as a manager and more to the owner towards entrepreneurship Covin and Miller (2016). Traditionally, according Wales et al (2021) an entrepreneurial orientation (EO) has been defined by three sub dimensions namely risk-taking, innovation, and proactiveness. Besides, EO refers to a specific entrepreneurial attribute which is highlighted by three major dimensions of risk taking, innovativeness and proactiveness

as a result, entrepreneurial activity is generally seen as a firm-level phenomenon Hughes et al. (2021). According to past research, IEO is described as the individual tendency of employees to highlight creative, proactive, and risk-taking behaviours in the workplace. Cho and Lee, 2018 also explained IEO enhances the ability of individuals to identify opportunities and propose entrepreneurial behaviour, or in the case of managing a business, they can increase the performance of their businesses.

At the staff level, there is often a demand for innovative competencies. For example, Hayton and Kelley (2006) state that among technical staff or those who interact with customers, as well as at the management level, including middle and senior management. According to Mustafa (2018) an entrepreneurial-min ded employees are also more likely to actively channel time and other resources towards entrepreneurial possibilities to implement change. Finally, entrepreneurial-min ded employees are more willing to take risks to impact organizational policies and resources, such as questioning the status quo. Measures to help their entrepreneurial tendencies.

According to past research, IEO is described as the individual tendency of employees to highlight creative, proactive and risk-taking behavior at work, Covinet (2020). At the personnel level, there is often a demand for innovative competence. For example, among technical staff or those who interact with customers (Hayton and Kelley, 2006), as well as at the management level, including middle and senior management (Heyden, 2018). According to Mustafa (2018) an entrepreneurially minded employees are also more likely to actively channel time and other resources towards entrepreneurial possibilities to implement change. Finally, entrepreneurially minded employees are more willing to take risks to impact organizational policies and resources, such as questioning the status quo. steps to help their entrepreneurial tendencies. thus, convincing that employees who are innovative, proactive and dare to take risks will improve the performance of the company's digital strategy.

### 2.4 The Dimension of Individual Entrepreneurial Orientation (IEO)

#### 2.4.1 Proactive

Proactive is defined as forward-thinking behavior, seeking opportunities that include anticipating future demand and trends ahead of the competition, therefore aggressively entering new product or market areas, gaining a first-mover advantage, and pursuing market leadership positions. in this study, the researcher wanted to identify and measure the level of pro-activeness of the employees. This is important because employee pro-activeness will increase the performance of the organization and can indirectly help in achieving the goals of the implementation of digital strategies in the organization. in addition, the value of proactivity that exists in employees will provide various benefits to the organization.

#### 2.4.2 Risk-taking

Covin & Slevin, (2017) state that risk-taking refers to the tendency to engage in high-risk activities with high potential benefits, as well as bold actions in volatile settings. This study identifies whether the employees are there to dare to take risks especially, in the implementation of digital strategies. This is said so because the value of risk-taking is to determine whether the employees dare to take risks for the creation and use of digital technology in order to improve organizations and companies.

#### 2.4.3 Innovation

According to Rauch et al. (2019) Innovativeness is defined as the tendency to engage in creative processes, experimentation, and the introduction of new goods and services, departing from existing methods. new technology as well as the use of digital technology in the organization to achieve the goals of digital strategy implementation. In this study, the researcher wants to examine the relationship between the role of individual entrepreneurial orientation in terms of innovative dimensions that lead to the successful achievement of digital strategy implementation goals. therefore, the researcher will know the level of innovative performance of each employee who will contribute to the development of the organization digitally such as digital management, digital infrastructure, digital networking, and digital development performance in a more organized manner and can directly improve the company's performance.

### 2.5 The Digital Strategy Performance

It is common knowledge that our world is becoming more modern, due to that also technological changes will occur from time to time. Technological change changes over time, from old technology to digital technology. More and more technological advances can help and facilitate human work and affairs, due to modern technological changes taking place mainly in the manufacturing industry. This is said to be so because the manufacturing industry is one of the many industries that use technology in their productivity. The use of manufacturing machines is important to them, hence, every company needs to plan the implementation of digital strategy in this industry is said to be so because it is a determinant of the smooth implementation of production.

Next, the intended technological change is the result of manual technology to digital technology. According to Bharadwaj et al. (2013), digital strategy is an organizational strategy formulated and implemented by leveraging digital resources to create differentiated values. As digitalisation permeates and is closely woven into the

organizational fabric, it is important to understand the factors that help or hinder digital strategy initiatives. In general, digital strategies focus on the use of technology to improve business performance, either in terms of a love of new products or re - imagining current processes. Whether that means creating a new product or imagining a current process. It determines the direction that organizations will take to create new competitive advantages with technology, as well as the tactics that will be used to achieve these changes.

According to Klein (2018) 'Performance' can be defined as the extent to which the effectiveness of something or a person does a job well. this is also closely related to the effect of actions taken to apply an idea, decision, procedure or program. turning to the study, the researcher wanted to examine the effectiveness and role of Individual Entrepreneurial Orientation for each employee in influencing the performance of a company's digital strategy.

Nonetheless, entrepreneurial behaviour is inextricably linked to the framework of corporate connections. Mustafa (2018) state that, there are a number of ways in which organisational settings may encourage, control, or hinder the entrepreneurial behaviours of employees and any behaviours associated with innovation also require an environment that is favourable. According to Mom (2017) the social traits an employee demonstrates while interacting with other workers determine the extent to which that person has access to organisational resources and information. Because of this, the effectiveness of the company's digital strategy will be impacted in a roundabout way.

Next, management, infrastructure, network, and development (MIND) is a dimension that will be used to quantify the amount of digital strategy that individuals and organisations have implemented, in addition to how well it is doing. With the use of this scale, we compare the informants' self-evaluations of their own individual performance to their evaluations of the organisation as a whole in terms of its performance. This criterion provides an all-encompassing perspective on the digital capabilities that must be met before one can successfully adopt a digital strategy.

### 2.5.1 Dimension of Digital Strategy Performance (MIND)

### • Management

No.

Things that can be observed when looking from Digital Management A company's capability can be defined as its capacity to plan and manage its digital resources to make strategic decisions and choices that suit the interests of the entire firm. According to Ritala et al (2021) employees who have a high level of entrepreneurship in themselves will help manage the company more regularly and improve the company's performance. According to Langkamp Bolton & Lane (2012) proactive and highly innovative workers are able to manage and implement effective digital businesses.

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### Infrastructure TEKNIKAL MALAYSIA MELAKA

An organization's Digital Infrastructure Capability defines its human and technological digital assets, both of which have an impact on the degree to which a business can derive value from money spent on digital and information technology. It is a reflection of the potential offered by the tangible and intangible digital resources owned by the company. According to Ritala et al (2021), employees who innovate and dare to take risks have the potential to help the company, especially in the infrastructure sector. For example, employees who have entrepreneurship in themselves can create a reliable and secure data infrastructure.

#### • Network

Digital Networks and Sourcing Capabilities are an organization's ability to leverage digital assets that exist or are outside its organizational boundaries. This is assessed by the capacity, timeliness and effectiveness of the organization in accessing, using and leveraging external digital resources. According to Aggarwal & Chauhan (2022) for digital Networks and Sourcing Capabilities are important to improve company performance. In relation to that, proactive and innovative employees will help from digital networks and sourcing capabilities. For example, employees will help maximize the use of external digital.



The extent to which an organization's digital resources can be used to meet current/emerging commercial, operational and service demands is referred to as digital development capability. According to Gercans (2022), the ability of digital development will be determined by individuals or employees in a company. For example, proactive and innovative employees will increase the company's digital development capabilities.

### 2.6 Research Framework

Research framework is important element in this chapter. From the standpoint of the framework, a study might become more obvious regarding the relationship. Interaction variable with independent variables are shows in study framework.



### Figure 2.1: Research Framework

Source: Nadratun. 2021 The Research Framework of Role of Individual Entrepreneurial Orientation
# 2.7 Research Hypotheses

#### Variable 1: Proactive

HO: There is not significant relationship between proactive employees and the positive impact of digital strategy performance.

H1: There is significant relationship between proactive employees and the positive impact of digital strategy performance.

# Variable 3: Risk-taking.

HO: There is not significant relationship between risk-taking employees and the positive impact of digital strategy performance.

H1: There is significant relationship between risk-taking employees and the positive impact of digital strategy performance.

# Variable 3: Innovation.

HO: There is not significant relationship between innovation employees and the positive impact of digital strategy performance.

15.0

H1: There is significant relationship between innovation employees and the positive impact of digital strategy performance.

# 2.8 Summary

Based on the overall literature review for this study researcher can conclude that all past studies that have been done are in success reading. Through previous study, researcher can know what is about digital strategy performance, Individual entrepreneurial orientation (IEO), and more about this study. For this next chapter, researcher may discuss about the methodology choices that be use to archive success.

# **CHAPTER 3**

# METHODOLOGY RESEARCH



This chapter explained the procedures employed throughout this investigation. The research approach is an essential element of every thesis. The researcher used the approach that helps to determine the best method for this investigation. Research technique is a systematic strategy that includes everything from raw data collecting and processing to usable data. Experiments are carried out by researchers employing data gathering methods, sampling design, data processing, and analytical methodologies. The information gathered by a survey questionnaire is examined in this study. The method of this research assists the researcher in making an informed selection about the research procedure to use in order for this study to be comprehended.

# 3.2 Research design

Research design is the core of research. A well-developed research design is an important starting point in designing a research study. In other words, research design influences research studies. For general knowledge, the research design is defined as an action plan document to create research with greater control over factors or effects that may interfere with the validity of the findings data. As a result of the design, researchers are able to focus on research approaches relevant to the issue and establish a foundation for the success of their investigation.

There are various research designs that can be selected according to the suitability of the study. To carry out this study, the researcher selected the design for the appropriate research project from a variety of different techniques to determine the type of study that needs to be conducted. Study design can be classified into two types, the first is quantitative study design and the second is qualitative study design. The study design is to evaluate the validity of the constructed hypothesis. This study investigates the dimension of individual entrepreneurial orientation that contributes to the achievement of the company's digital strategy.

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Next, the researcher used the qualitative study design category, this type of research design is different from the quantitative research design. This is because this method explains in more depth and continues to find solutions. In this method, the editor further studies theories related to the topic such as the reason why a theory exists. This is direct, and this method helped the researcher in making the right conclusions. Moreover, case studies are the main method used in qualitative research design. This is because this method helps the researcher to understand in more depth related to the ongoing study.

# 3.3 Methodological choice

Methodology refers to ways of maintaining, organizing information, and analysing data. The constructive nature of the research questions in the study influences how methodological decisions should be selected. Methodology in research can be considered as a theory of correct scientific results. Methodology encompasses a series of complete theoretical and principle frameworks based on methods and procedures. Overall, the basic research method consists of three different methods namely qualitative, quantitative and mixed methods.

This study is more suitable to be done using quantitative methods. this is said so because the researcher wants to study the role of individual entrepreneurial orientation on each employee and the impact on the digital performance of the strategy. This research will be conducted using data with quantitative methods to obtain a set of useful information and have a relevant and appropriate model to obtain relevant results. Quantitative methods are also often distinguished as the assumption that there is a single truth coexisting among others beyond human perception. This is due to the fact that, in descriptive research, researchers are only required to search for an overall summary of the study variables (Pritha Bhandari, 2020).

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# 3.4 Research Instrument

Researcher is required to involved in selection of research instrument once the research design and methodology are determined. The data collection process often involves the selection and utilisation of questionnaires. As a result, the researchers are able to more easily analyse and explain the results of the questions that were specified in the survey form.

# 3.4.1 Questionnaire Design

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Using a survey form, this study gathered its primary data using a quantitative methodology. For quantitative analysis, a large number of respondents to a questionnaire survey will be asked the same set of questions. Since the questionnaire will be distributed to various respondents, it is simple to compare the collected data (Saunders et al., 2016). It is simple and cost-free to distribute the questionnaire in the format of a URL or link to the desired respondents. In addition to the fact that Google Form can improve the efficiency of questionnaire surveys, the COVID-19 epidemic is also a factor. So doing, researchers can distribute the survey form via social media, e-mail, or other web-based applications that correspond to the contact-less during the current crisis. The questionnaire is accessible to respondents via computer, mobile phone, tablet, or other network-capable devices. In addition, it saves time during data collection by facilitating the transmission of required information into an Excel spreadsheet.

Section A, Section B, and Section C comprise the three sections of the questionnaire form. The emphasis of Section A will be on the respondents' general information. In Section B, the dimension of individual entrepreneurial orientation represents influencing digital strategy performance of company. Section C, Employee personality can determine the performance of a company's digital strategy.

Table 3.1: section in Questionnaire.

Section A	Respondents' Background
Section B	The dimension of individual entrepreneurial orientation represents influencing digital strategy performance of company
Section C	Employee personality can determine the performance of a company's digital strategy.

Based on the questionnaire design, respondents will answer the questions by using Likert scale with 5 marks based on the dimension of individual entrepreneurial orientation to determine the personality and performance of employees in improving the company's digital strategy The respondents need to choose for the most suitable and relevant response scale for each question. There is 5-point scale which starting from 1 to 5 represents strongly disagree, followed by disagree, neutral, agree and strongly agree.

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_		Fig	ure 3.1: Likert	Scale			
μ	Strongly	SITI TEKNI	KAL MAL/	AYSIA MELA	Disagree		
	StronglyAg	gree					
	1	2	3	4	5		
	Source : Saundern M. Lewis O. & Thornhill A (2016)						

Source : Saundern, M ., Lewis, O., & Thornhill. A (2016)

# **3.4.1.1 Operationalization of Construct**

Constructs	No. of items	Scale of measurement
Proactiveness	6	Likert Scale
Risk- taking	7	Likert Scale
Innovationess	7	Likert Scale
Digital strategy performance	8	Likert Scale

Table 3.3: Operationalization of Constructs

Table 3.4: Likert Scale from 1 to	5
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Strongly	Disagree	Neutral	Agree	Strongly
Disagree				Agree
1	\$2	3	4	5
11.00		ノド	JIVI	

# 3.4.1.2 Variable.

Table 3.5: Proactive

Label	Items	Source
P1	Typically, I take the initiative to solve upcoming issues, meet	Paavo Ritala
	upcoming demands, or adapt to upcoming changes.	a & Abayomi
P2	I am quite good at foreseeing possibilities and developing	Baiyere (
	comprehensive plans for tasks.	2021)
P3	I tend to "step up" and start initiatives rather than wait for others.	
P4	I like to discuss issues related to improvements that can be made	
	to the company.	
P5	I am passionate about introducing new products/services.	
P6	I try and take the lead in introducing new administration	
	techniques.	

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Table 3.6: Risk-Taking

Label	Items	Source
R1	Being pushed to take intelligent chances on unproven ideas is a	Paavo Ritala
	source of inspiration for me, and I like taking risks myself.	a & Abayomi
R2	I'm willing to spend a lot of time and/or money on something	Baiyere (
	that could give me a high return. To reach my goals, I'm willing	2021)
	to take bold, wide-ranging steps.	
R3	I tend to be "bold" while making risky judgements in the face of	
	uncertainty.	
R4	I tend to choose risky projects if it benefits the job and the	
	company.	
R5	I dare to take risks and be aggressive to seize opportunities.	
R6	I am someone who takes a bold and aggressive stance when	
	faced with decision-making situations involving uncertainty to	
	maximize potential.	



# اونيۇم سىنى تەTable 3.7: Innovation

Label	N <sup>Items</sup> ERSITI TEKNIKAL MALAYSIA MELAKA	Source
I1	In general, I like initiatives that put a focus on novel, cutting-edge	Paavo
	methods over those that merely recycle older ones.	Ritala a &
I2	I like to learn new things my own way rather than following	Abayomi
	everyone else.	Baiyere (
I3	Instead of relying on tried-and-true tactics, I want to try new	2021)
	things and come up with my own solutions.	,
I4	I am always accepting new ideas and making improvements to	
	them.	
15	I always give and contribute new ideas to the company.	
I6	I provide new ideas such as applying new digital technology in	
	the production of company products/services.	
I7	I get support from others for my innovative ideas.	

<b>T</b> 1 1		a
Label	Items	Source
DV1	To implement a profitable digital business.	Paavo Ritala a
DV2	To make quick consistent and clear digital business	& Abavomi
2,2	To make quer consistent and creat agran basiless	
	decisions	Baivere (
		Dalyele (
DV3	To create customer and business value from our data	2021)
<b>D</b> + 5	To create customer and business value from our data	2021)
	resources	
DV4	To have a trusted and secure data infrastructure	
DV5	To optimize the use of external divital recourses	
DV3	To optimize the use of external digital resources	
DUC		
DV6	Proactive awareness of trends and relevant opportunities.	
DV7	Co-creating with customers to solve important problems	
DV8	Efficient and flexible approach to development projects	1
<b>D</b> ,0	Erre en una riexiole approach to development projects.	
- The second		

Table 3.8: Digital Strategy Performance



A pilot test is a small initial study conducted in research to test a planned research study prior to the full-scale performance. These smaller studies typically adhere to the same protocols and procedures as the larger versions. pilot tests were conducted to reflect on and revise the questionnaire to improve its feasibility of the questionnaire (Ruel et al., 2016). A total of 20 respondents made this pilot test. According to Ruel et al 2016, stating the habit test will not exceed 50 respondents. If the number of respondents exceeds 50 respondents it cannot be defined as a pilot test. Respondents who have participated and answered this pilot test cannot be made respondents for actual data. The reliability of the test was then evaluated using Cronbach's Alpha. Alpha coefficients should be between 0.7–1.0 for results considered highly reliable (Malhotra, 2006).

# 3.5 Data collection

As we know, research data are research facts collected to further the investigation in research. Next, that data will be collected and processed into one piece of information. In addition, data collection is also synonymous with the process of collecting, measuring, and analyzing accurate views for research purposes using methods that have been set as standards. For the data collection procedure, it consists of two different types of data, namely primary data and secondary data. Both of these data are used to find more accurate information and provide researchers with greater views and perspectives on the results. The most important goal in data collection is to ensure that the data for statistical analysis obtained are information-rich and reliable. This is done so that choices about research may be guided by the data collected.

# 3.5.1 Primary Data

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Primary data is known as first-hand evidence. primary data is raw data collected directly through methods of observation, interviews, and distribution of surveys experiments, and even questionnaires. moreover, the primary data is considered to be the most reliable and accurate data to use when conducting research. Primary data sources are often selected and arranged to suit the needs or prerequisites of particular research activity. Next, before selecting the source of data collection, issues such as the objectives of the study and the demographics that will be the focus of the inquiry need to be determined. In this research, the researcher has used primary data to collect the desired information. Key data collected through surveys or questionnaires are useful in investigating the role of individual entrepreneurial orientation among employees and the impact on the performance of digital strategies in a company.

# 3.5.2 Secondary Data

In contrast to the primary data, the secondary data is the secondary data. the second data in question is data that has previously been collected from primary sources and can be accessed by other researchers for their own reference studies. In addition, secondary data also known as secondary data for one study can be considered primary data for another study. It is common for researchers to use the same data several times, making it the primary and secondary data in the process. In this research, the researcher uses secondary data as a method of data collection in carrying out this study. Typically, the researcher will use secondary data at the beginning of the research. This is because the researcher will use secondary data for understanding and basis of the study topic especially the findings narrated in the literature review.

# 3.6 Location of Research

Research locations play an important role in the flow of information and the creation of knowledge networks in R&D. The purpose of this study is to suggest that a location perspective is important for our understanding of the structure and function of research activities. This study will be conducted in a company in Malaysia. the researcher has Perodua Sales Sdn. Bhd. the research location. This is because this location is appropriate and in relation to the characteristics of the company desired by the study. This study aimed to determine the role of each employee's individual entrepreneurial orientation in influencing strategic performance.

# 3.7 Time Horizon

There are two types of time periods that can be distinguished namely longitudinal and cross-section. To find answers to research questions, one might conduct a study in which data is collected only once, perhaps over a period of days, weeks, or months. This form of study is also known as a one-shot study or crosssectional investigation. A researcher may find it important to make a study an individual or phenomenon more than once to provide answers to a research issue. For example, the researcher would like to see the extent to which the role of individual entrepreneurial orientation in each employee and respond to the performance of the company's digital strategy. In this case, the research is not a cross-section or a oneshot type. Instead, it is carried out longitudinally over a long period of time. This is because the data were obtained at two separate time periods. This type of investigation is referred to as a longitudinal study.

# 3.8 Sampling Design

Sample design is a specific strategy for selecting samples from a particular population. It refers to the method or approach used by a researcher to select something for a sample. this sampling design will help and provide an opportunity for the researcher to obtain easier and more accurate results. This is because the researcher already knows the group that should be able to help in his study. the word "probability sampling" refers to the process of selecting a sample from a population when making this selection based on the principle of randomness, often known as "random selection" or "chance." compared to non -probability sampling, the concept of probability sampling is more difficult to implement, requires more time, and often results in higher costs. Lastly, collecting data through non -probability sampling is faster, easier, and cheaper than probability sampling. This is because it does not require a comprehensive survey structure.

The targeted population for this study is a total of 100 respondents in company. Given that the aim of the study was to observe the role of each employee's entrepreneurial orientation on the digital performance of employee and company strategies. the researcher will target employees from various departments, genders and backgrounds to answer the questionnaire for the success of this study. This population will then be generalized, so this study will be conducted on the population as well as simple in this study.

# 3.8.1 Sampling Technique

Researchers must first pick a sample before conducting studies on larger populations. To put it simply, a sample is a subset of the population from which to draw conclusions. Researcher sampling procedures typically consist of five stages. One is that the researcher will choose the people who will be the focus of the study. The term "target population" is used to describe the intended recipients. The second is that a sample frame is selected by the researcher. Lists of sampling frames include every possible component of the population from which samples will be drawn. Researchers in this study sampled workers from Perodua Sales Sdn. Bhd.

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Point number three is to explain how a sample was obtained. There are a number of methods for carrying out this sampling, some of which include chance (random selection) and others which do not. If the sampling frame is representative of the population of interest to the researcher, then random sampling may be used to pick a sample. Otherwise, the researcher will need to select a non-random sample to paint a picture of the local community. In this study, researchers drew samples at random using a straightforward method of random sampling.

The sample size determination step is the fourth. Number of items in a sample is known as the sample size. The researcher will consider a number of criteria, including time, money, and the availability of resources, while deciding on the size of this sample. A bigger sample is preferable in most cases, although it is costly to collect. The researcher in this study determined the sample size using the formula in table 1 from Krejcie and Morgan (1970). Krejcie and Morgan's (1970) formula for estimating sample size has been briefly explored since it yields the same sample size in all investigations when the researcher just adjusts the t-value based on population size (cited in Ahmad, Halim, and Hasnita Halim, 2017). In addition, as it is estimated that there are 480 peoples working in the management department at Perodua Sale Sdn Bhd, the total sample size to gather the data in this study is 220

Table 3	.1								
Table f	Table for Determining Sample Size of a Known Population								
N	S	N 49	S	N	s	N	s	N	s
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35 0	32	150	108	360	186	1100	285	5000	357
40 9	36	160	113	380	191	1200	291	6000	361
45	40 ()	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	<b>1</b> 700	313	15000	375
79 M	1V <sup>59</sup> D	220	140	< <sup>500</sup> 1	1 A217 A	1800	AL <sup>317</sup> A	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384
Note: N is Population Size; S is Sample Size Source: Krejcie & Morgan, 1970									

Table 3.9: Sample size of a known population

.

Source: Krejcie and Morgan (1970)

# 3.9 Data Analysis

The analysis of data is the most important component of any investigation. Data analysis includes the interpretation of data obtained by analytical or logical reasoning in order to find patterns, correlations, and trends. According Jake Frankenfield (2021) data analysis can help researchers provide a more detailed overview of the information gathered through survey methods. The process of "cleaning," "transforming," and "modeling" data in order to uncover information that may be used to make decisions in the context of research is referred to as "data analysis." This data inspection also attempts to extract essential information, and the researchers will make decisions based on that understanding.

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The researcher has performed several different processes to make the data analysis. in the first step, the researcher will seek and gather information. The first phase is that the researcher will determine the specific study to be done. next, in the second phase is data collection, the researcher uses quantitative techniques such as questionnaires and secondary data during the process of collecting information. After obtaining and collecting data the researcher will filter all the data for analysis. This is because not all the data that has been collected will be used in this research because some of the data do not meet the suitability of the study. The last step is to perform data analysis and interpretation. During this phase of the research process, various methods, including regression, statistical analysis, reliability are used to perform data manipulation and analysis to support the researcher's conclusions.

# 3.9.1 Descriptive Analysis

The term "statistical analysis" may also refer to "descriptive analysis." One of the subcategories of data analysis is known as statistical analysis. Utilizing historical information in the form of a dashboard, statistical analysis answers the question "What happened?" A data set or a data sample will be analyzed as part of the statistical analysis process, which includes the collecting of data, its processing, interpretation, presentation, and modeling of the data. According to Pritha Bhandari (2020), descriptive analysis is a method that is used to summarize and categorize the characteristics of a data collection. A population or a sample may provide the information for this data set, which might be a collection of replies or observations. There are three different types of descriptive statistics: distribution, which focuses on the frequency of each value, frequency analysis, and pattern analysis. The mode, median, and mean are all examples of average values, which are what the central tendency focuses on. When looking at variability or distribution, one must take into account how the data are dispersed. Aside from that, the range, the standard deviation, and the variance all reflect different aspects of the propagation, while the measure of variability provides the researcher with a knowledge of how the value of the response is conveyed (Pritha Bhandari, 2020). In this particular investigation, the researcher chose to focus on a variety of demographic aspects, such as age, gender, and educational background. In order to better explain the sample or the population that the researcher obtains via the survey technique, the researcher will also employ percentages.

# 3.9.2 Reliability Analysis

The researcher is able to analyse the nature of the measuring scale as well as the components that comprise it by using reliability analysis. The method known as Reliability Analysis computes a number of the standard metrics for measuring the dependability of scales, in addition to providing information on the connections between individual scale components. According to Zach (2021), dependability refers to the degree to which a measurement remains unchanged throughout time. Aside from that, researchers may do reliability analysis to determine the degree to which the questions on the questionnaire are interconnected with one another. In addition, the researcher has the opportunity to get an overall index of the repeatability or internal consistency of the scale, as well as identify problematic items that have to be deleted. In addition to being a measure of scale dependability, Cronbach's Alpha may be used to determine the degree to which a collection of things is related to one another. It is also often used when a survey or questionnaire comprises a large number of Likert items that are used to form a scale, and the researcher wishes to determine whether or not the scale can be relied upon. For dichotomy questions, such as those with two alternative responses or Likert scale questions, there are additional practical considerations that may be found in the Rule of Thumb table for interpreting the alpha, as stated by Deng, Lifang, and Wai Chan (2017).

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Cronbach's Alpha	Internal Consistency
$\alpha \ge 0.9$	Excellent
$0.9 > \alpha \ge 0.8$	Good
$0.8 > \alpha \ge 0.7$	Acceptable
$0.7 > \alpha \ge 0.6$	Questionable
$0.6 > \alpha \ge 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Table 3.10: Rule of Thumb

# 3.9.3 Normality test.

Normality test have been conducted to determine whether the variables in the study are normally distributed. According to Field (2009), if a variable passed a normality test, hence, parametric statistics can be used in carried out the analysis for this study. However, if a variable fails a normality test, histogram and normal probability plot can be viewed to found the outlier that lead to the non- normality. Besides, transformation can be made in order to form a normal data. If transformation is not viable, researcher may implement nonparametric methods which do not required normality data.

There are seven normality tests which consist of Shapiro-Wilk W Test, Kolmogorov-Smirnov Test, Anderson-Darling Test, Martinez-Iglewiez Test, D'Agostino Skewness Test, D'Agostino Kurtosis Test, and D'Agostino Omnibus. Researcher selected the most suitable normality test to be conducted in order to run the data analysis.

# 3.9.4 Pearson Correlation Analysis

Analysis of the correlation between two or more quantitative variables is referred to as correlation analysis. This is a word that defines a link or correlation between the variables (Gogtay, 2017). According to Pritha Bhandari (2021), a correlation coefficient is a number that may vary from -1 to 1, and it reveals the intensity of the association between the variables as well as the direction in which the relationship is going. According to Zakaria Jaadi (2019), each of these correlations also includes indicators and forms in which the movement might be in a positive, negative, or neutral condition. This information is based on the findings of this researcher. A positive correlation indicates that the two variables move in the same direction. This might imply that one variable grows when the other variable moves, or that if one variable drops, the other variable will also decrease at the same time. A negative correlation exists when the two variables move in opposing ways; when one variable grows, the other variable will drop, and vice versa. An example of this would be when one variable increases, the other variable would decrease. On the other hand, there was no association between the two variables, which indicates that there is no correlation between them.

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According to Will Kenton (2021) pearson's coefficient is a kind of correlation coefficient that shows the degree to which two variables measured on the same interval or ratio scale are related to one another. According to research conducted by Zakaria Jaadi (2019), the Pearson correlation, which is often referred to as Pearson's r, is a statistical method that may be used to characterize the linear connection that exists between two quantitative variables. The next table, Table 1, explains how to understand the magnitude of the correlation coefficients (strength).

Size of Correlation	Interpretation
.90 to 1.00 (90 to -1.00)	Very high positive (negative) correlation
.70 to .90 (70 to90)	High positive (negative) correlation
.50 to .70 (50 to70)	Moderate positive (negative) correlation
.30 to .50 (30 to 50)	Low positive (negative) correlation
.00 to .30 (.00 to30)	Negligible correlation

Table 3.11: How to interpret the size (strength) of a correlation coefficient, (ParvezAhammad, 2016)

# 3.9.5 Multiply Regression Analysis

The most fundamental method of statistical modeling is known as linear regression. Its purpose is to provide a distinct image of the connection that exists between a dependent (or outcome) variable and an independent (or predictor) variable (Jameel et al., 2018). The objective of the regression model is to provide a description of the connection between the variables by superimposing lines on the data (Rebecca Bevans, 2020). When doing a regression analysis, the correlation or link between an independent variable and a dependent variable is referred to as the correlation coefficient, abbreviated as R. According to Jason Fernando (2021), R-Squared is a statistical measure of suitability that reveals how much variance in the dependent variable can be explained by the independent variable. R-Squared may be regarded as a statistical measure of suitability. R-Squared can only perform as expected within the context of a simple linear regression model with a single explanatory variable; as a result, it has to be modified in order to operate within the context of multiple regressions that include a number of independent variables (Jason Fernando, 2021).

The t-test is a statistical test that compares the mean of two groups, as stated by Rebecca Bevans (2020). It is often employed in the process of testing hypotheses to determine whether or not a certain technique or treatment has an impact on the population of interest, or whether or not the two groups are distinct from one another. When selecting a t-test, the researcher needs to take into account two different factors: first, whether the groups being compared come from the same population or from two different populations; second, whether the researcher intends to look for differences in either the positive or negative direction. For instance, the researcher may choose to conduct a paired t-test when working with a single population; if, on the other hand, the group represents two distinct populations, then a two-sample t-test may be more appropriate; and if the group is being compared to a standard value, then a one-sample t-test will be carried out (Rebecca Bevans, 2020). Aside from that, the F-test for linear regression is used to assess which of the independent variables included in the model of multiple linear regression are significant.

According to Uyank, Gulden Kaya, and Nese Guler (2016), multiple linear regression estimates the relationship between two or more independent variables and one dependent variable. It also has the ability to predict the outcome of a response variable by combining a large number of explanatory variables. This regression also models a linear connection between the illumination factors (the ones that are independent) and the response variables (the ones that are dependent). Multiple linear regression is a technique that may be employed, as stated by Rebecca Bevans (2020), when the researcher is interested in determining the strength of the connection that exists between two or more independent variables. For instance, the substance of messages, job matching, and job specialty with regards to the efficacy of graduate marketability. Rebecca Bevans's (2020) article gives a formula that may be used to carry out the multiple regression analysis.

- $y = \beta_0 + \beta_1 X_1 + \ldots + \beta_n X_n + \varepsilon$ 
  - y = the predicted value of dependent variable

 $\beta_0$  = y-intercept (the value of y when all other parameters are set to 0)

 $\beta_1 X_1$  = regression coefficient ( $\beta_1$ ) of the first independent variable ( $X_1$ ) or the effect that increase the value of the independent variable has on the predicted y value)

... = do the same for however many independent variables researcher is testing

 $\beta_n X_n$  = regression coefficient of the last independent variable

e = model error or how much variation there is in our estimate of y.

# 3.10 Summary

This chapter help researcher to describe and fully adapted with procedures need to be taken in order to make a valid research. Besides that, research methodologies include, collecting, analyse, and interpreting data. Through this study, researchers tend to use primary data in order to get a better data finding, results and consequences. All the data are being keyed in through SPSS software. In this study, researchers tend to calculate the hypothesis relationship by using multiple regression method and Pearson's Product Moment Correlation Coefficient (PMCC).



# **CHAPTER 4**

# DATA ANALYSIS AND REASEARH FINDING



In this chapter, there is a summary of quantitative research findings the role of the individual entrepreneurial orientation (IEO) and digital strategy performance of company have been discussed. Data analysis was essential for a study and playing vital role in determining accuracy and preciseness of hypothesis. Besides, there are total of 120 respondents which was consist of Perodua employees are participate in answering the questionnaires. At first, pilot test has been conducted and analysed through SPSS by involving 20 respondents in order to ensure the reliability for each factors. By conducting descriptive analysis, findings of study based on demographic profile also have been explained in this chapter. Furthermore, there are some other research methods such as Multiple Regression Analysis and Pearson Correlation Analysis also will be included to discussed about the relationship between independent and dependent variables. Lastly, hypothesis was being evaluated and discussion of outcomes were being made in this research.

# 4.2 Pilot Test

Researcher had conduct the pilot test by distributing survey questionnaires to small amount of respondents before collecting data from the total sample of the population. The purpose of conducting pilot test was to ensure all the questions stated in the survey form are understandable by all the respondents. Additionally, according to Saunders et al. (2009), misinterpretation and errors that might influenced reliability and validity of data can be reduced by running pilot test. Hence, a total of 20 respondents which consists of Perodua employees from 4 different departments have been selected to participate in pilot test for this study.





This test had measured total of 25 items. Besides, pilot test data are collected from 20 respondents by researcher. Based on table 4.1, Cronbach's Alpha value for pilot test was 0.878 Thus, all items stated in the questionnaire are concluded as reliable and acceptable because the value is above 0.70, which is the acceptable level of Cronbach's Alpha value according to the Cronbach's Alpha Coefficient.

# 4.3 Reliability Analysis

Table 4.2: Reli	ability Statistics
-----------------	--------------------

Cronbach's Alpha	N of item
.880	25

Table 4.3: Reliability Statistic of each variables

Number of Item	Cronbach's
	Alpha
5	0.889
6	0.857
6	0.869
8	0.838
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	Number of Item   5   6   6   8

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Actual survey had been fully conducted where the overall Cronbach's Alpha have been produced. Based on Table 4.2, all item 25 s in survey questionnaires have relatively high internal consistency due to the high Cronbach's Alpha value of 0.880. Besides, Table 4.3 showed that analysis of each variables for each items in the study. Most of the variables such proactive, risk- taking innovativeness and digital strategy performance of company as had excellent value of Cronbach's Alpha, which results stated that higher than 0.7. However, the result is accepted and indicate reliable and valid as most of Cronbach's Alpha value above 0.5 (Manerikar & Manerikar, 2015).

# 4.4 Normality Test

	Statistics							
		Proactive	Risk- taking	Innovative	Digital strategy performance			
Ν	Valid	120	120	120	120			
	Missing	0	0	0	0			
Ske	wness	152	736	003	364			
Std. Ske	Error of wness	.221	.221	.221	.221			
Kur	tosis	0.97	1.071	188	166			
Std. Kur	Error of tosis	.438	.438	.438	.438			

Table 4.4: Analysis of Skewness and Kurtosis

Skewness and kurtosis analysis is conducted to identify either data is in normal or non-normal condition based on general rule of thumbs. Skewness is a measurement of distribution's symmetry while kurtosis is a measurement of distribution's pawedness or flatness. According Hair et al. (2010), a distribution is considered perfect when skewness and kurtosis's value are equal to zero. If the value of skewness rated at -+1 or kurtosis rated at -+2, both are considered mild, but still indicating that distribution is within an acceptable range. Value outside these ranges shown that the data are not normal (Hair et al., 2010).

Table. 4.4 above had presented the result of presented the result of Skewness and Kurtosis analysis is fall between -+ 1 and -+2 respectively. All variables have negative skewness values which indicates that too many high scores in the distribution. Besides, kurtosis value of variables such as innovation and digital strategy performance of company is negative which mean it has flat and light-tailed distribution; kurtosis value of variables such as proactive, risk-taking and innovation are positive which mean it has a pointy and heavy-tailed distribution. In conclusion, skewness and kurtosis result is withint1 and respectively. Hence, the data are considered as normally-distributed population.

#### 4.5 **Descriptive Statistics Analysis**

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According to Table 4.5, the results for all the factors, including the calculation sample and the standard deviation of three (3) items under the independent variables, which consists of use of technology, building lasting customer relationship and profit making. While the small business involved in digital entrepreneurship is a dependent variable for this research. The results for the descriptive statistical criteria are as follows:

Table 4.5: Descriptive analysis on individual entrepreneurial orientation and digital strategy performance on company.

UNIVERSITI TEK Descriptive Statistic A MELAKA								
Instruments	N	Minimum	Maximum	Mean	Std.			
					Deviation			
Proactive	120	3.00	5	4.27	.400			
Risk-Taking	120	3.00	5	4.32	.357			
Innovation	120	3.33	5	4.32	.364			
Digital Strategy	120	3.13	5	4.30	.403			
Performance								
Valid N (listwise)								

As shown in the result in Table 4.5, the mean value of the independent variable in the overall question is higher than 4.0, which means that most of the respondents agreed with the whole questions presented in those independent variables. Table above designates that the maximum mean value is the predicted risk-taking, which is 4.32, and the standard deviation is 0.357. The second highest mean value is innovation, which is 4.32 and the standard deviation is 0.364. Basically, the independent variable which are proactive is the lowest mean which is 4.27 and the standard deviation is 0.400. Next, the descriptive statistics for the dependent variable which is digital strategy performance of company. The mean value for the dependent variable is 4.30 while the standard deviation is 0.403.

#### 4.6 **Respondent's Demographic Profile**

Demographic profile is the basic information of respondents that participate in answering survey questionnaires. Demographic profile of the sample such as the analysis of each respondent's personal details in terms of gender, year of study, and faculty was discussed in this chapter.

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Demographic		Frequency	Percentage
Gender	Male	58	48.3%
	Female	62	51.7%
Age	20 to 29 years old	33	27.5%
	30 to 39 years old	49	40.8%
	40 to 49 years old	29	24.2%
	Above 50 years old	9	7.5%
Managerial position	Digital unit	35	29.2%
	Sales and marketing unit	41	34.2%
MALAYS	IA HA		
	Specialize unit	28	23.3%
ТЕА	Others unit	16	13.3%
Education level	SPM	27	22.5%
ANNO .	Diploma /STPM	49	40.8%
سا ملاك	Degree Contraction in	32 و نبو مر س	26.7%
**	Others	12	10%
Organization ERSI	1-3 years IKAL MALAYSIA	29 ELAK	24.2%
experience			
	4-6 years	50	41.7%
	7-9 years	34	28.3%
	More than 10 years	7	5.8%

Table 4.6: Demographic Analysis

#### 4.6.1 Gender

Based on table 4.6, it showed that there are 58 males (48.3%) and 62 females (51.7%) from total 120 sample of population. Female respondents occupied a higher number than male respondents in this study.

# 4.6.2 Age

Based on table 4.6 above presented the age of respondent has been divided into 4 categories which are 20-29, 30-39, 40-49, and 50 years old and above. The highest age group that response to the survey was between 30-39 years old, where total 49 (40.8%) out of 120 respondents. It is then followed by the age group of 20-29 years old with total 33 respondents (27.5%), Then there were 29 respondents (24.2%) are from age group of 40-49 years old. While the lowest age group that response to the questionnaire was the respondents whose age are 50 years old and above, where only 9 (7.5%) respondents.

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4.6.3 Managerial Position MALAYSIA MELAKA

Based on table 4.6 above presented the managerial position of respondent has been divided into 4 categories which are Digital Unit, Sale and Marketing Unit, Specialize Unit and Others unit. The highest managerial position group that response to the survey was Sale and Marketing Unit, where total 41 (34.2 %) out of 120 respondents. It is then followed by the Digital unit group with total 35 respondents (29.2%), Then there were 28 respondents (23.3%) are from Specialize Unit. While the lowest managerial position that response to the questionnaire was the respondents whose others unit, where only 16 (13.3%) respondents.

# 4.6.4 Education Level

Based on table 4.6 above presented the education level of respondent has been divided into 4 categories which are Sijil Pelajaran Malaysia (SPM), Diploma, STPM, Degree and Others. The highest education level group that response to the survey was Diploma/STPM, where total 49 (40.8%) out of 120 respondents. It is then followed by the Degree group with total 32 respondents (26.7%), Then there were 27 respondents (22.5%) are from SPM level. While the lowest education level, that response to the questionnaire was the respondents whose others unit, where only 12 (10%) respondents.

# 4.6.5 Organization Experience

Based on table 4.6 above presented the organization experience of respondent has been divided into 4 categories which are 1-3 years, 4-6 years, 7-9 years and more than 10 years. The highest organization experience group that response to the survey was 4 - 6 years, where total 50 (41.7%) out of 120 respondents. It is then followed by the 7- 9 with total 34 respondents (28.3%), Then there were 29 respondents (24.2%) are from 1-3 years. While the lowest education level, that response to the questionnaire was the respondents whose more than 10 years, where only 7 (5.8%) respondents

# 4.7 Pearson Correlation Analysis

**Objective 1**: To identify the dimension of individual entrepreneurial orientation that contribute the achievement of company digital strategy.

Pearson correlation analysis is a method that is applied to analyse the relationship between one dependent variable and one independent variable. This technique can also be utilized to identify the effectiveness or strength relationship between the dependent variable in this study which is the digital strategy performance

of the company. Independent variables which include the dimension of individual entrepreneurial orientation which is proactive, risk-taking, and innovativeness relate to the strength of the relationship, the value of the correlation coefficient is varying between +1 and -1. Besides, a value closer to +1 or -1 indicates the strength of the relationship which is strong among the two variables whereas the relationship is weak when the value is closer to 0.

	Correlations						
		Proactive	Risk- Taking	Innovative	Digital Strategy Performance		
Proactive	Pearson Correlation	1	.601*	.429**	.661**		
A TEK	N Sig. (2-tailed)	120	.000	.000	.000		
Risk- Taking	Pearson Correlation	.601**	-1	.560**	.682**		
ملاك	Sig. (2-tailed)	.000	ىتى يە	ويہ 000. سے	.000		
	N	120	120	120	120		
Innovative	Pearson Correlation	.429**	.560**	A MELAKA	.699**		
	Sig. (2-tailed)	.000	.000		.000		
	N	120	120	120	120		
Digital strategy	Pearson Correlation	.661**	.682**	.699**	1		
ce	Sig. (2-tailed)	.000	.000	.000			
	Ν	120	120	120	120		
**. Correlat	ion is significant	at the 0.01 k	evel (2-tail	ed).	•		

Table 4.7: Pearson Correlation Coefficient for Each Variable.

Table 4.7 illustrates the Pearson Correlation Coefficient Analysis findings for three interval scale variables. Based on the results above, it is proven that all independent variables (Proactivity, Risk Taking, and innovation) are positively and significantly associated with the dependent variable (digital performance strategy).

Firstly, the correlation value between proactive and digital strategy performance is 0.661 with a significant level of 0.000. This shows that there is a high positive significant relationship between these two variables due to a strong correlation value of 0.5 and a significant value of less than 0.06. In addition, the results show that there is a positive significant relationship between risk-taking and digital strategy performance due to a correlation value of 0.682 with a significant value of 0.000. This shows that there is a good positive significant relationship because the correlation value is above 0.5 (Jabar et al., 2018). Furthermore, the correlation value between innovation and digital strategy performance is 0.699 with a significant level of 0.000. This shows that there is a good significant relationship between these two variables due to a correlation value above 0.06.

From this analysis, it can be concluded that the dimension of individual entrepreneurial orientation (IEO) which includes proactivity, risk-taking, and innovation has a significant relationship with digital strategy performance due to its good correlation value between the variables. This also shows that being proactive, taking risks, and being innovative will positively influence the performance of digital strategies. It shows that more values of Proactivity, risk-taking, and innovation in each employee will have a positive impact on the performance of the company's digital strategy.

**Objective 2**: To determine the main dimension of individual entrepreneurial orientation (IEO) that contribute the achievement of company digital strategy.

**Objective 3**: To evaluate the relationship between dimension of individual entrepreneurial orientation (IEO) and the achievement of company digital strategy.

Multiple regression analysis is a technique used to forecast the value of a variable according to the value of two or more variables. This method can use to analyse the correlation between the independent and dependent variables. Furthermore, multiple regression analysis helps to explain the relationship between all independent variables (proactive, risk-taking, and innovative) and the dependent variables (digital strategy performance). the outcome of the regression analysis will be shown in an equation.

4.8.1 Multiple Regression Analysis Between DV and IV.

Model Su	ummary					
Model	R	R Square	Adjusted R	Std. Error of the		
			Square	Estimate		
1	.825ª	.681	.631	.23092		
a. Predictors: (Constant), Proactive, Risk-Taking, Innovativeness						

Table 4.8: Model Summary of Multiple Regression Analysis

Table 4.8 revealed the results of the regression analysis of the relationship between independent variables and dependent variables. The independent variables included for measurement are individual entrepreneurial orientation of employee which are proactive, risk-taking and innovativeness while the dependent variable is digital strategy performances of company. Based on the table above, the correlation coefficient (R) shows a value of 0.825 and indicates a strong degree of correlation. Hence, there is a positive and strong relationship been identified since the R value is more than 0.50. Moreover, the R square value in this model is 0.681 which indicates that dependent variable (digital strategy performance of company) is affected 68.18% by the independent variables (individual entrepreneurial orientation).

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Table 4.9:	Regression	Analysis	s on ANOVA	ł	
S X					
EK	AN	<b>OVA</b> <sup>a</sup>		/	
1					
Model	Sum of	df	Mean	F	Sig.
Stan	Squares		Square		
sinn .					
Regression	13.214	3	4.405	82.599	.000 <sup>b</sup>
- Junin no			G. V.	2.2	
Residual	6.186	116	.053	A LZ A	
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Total	19.400	119			
a. Dependent Variable: D	igital Strate	egy Perfo	rmance		
-	-				
b. Predictors: (Constant),	Proactive,	Risk-Tak	ing, Innovati	veness	
, , , , , , , , , , , , , , , , , , ,	,				

Table 4.9 below shows the ANOVA analysis of this study research. Referring to the table, F-test is used to determine the data from a survey that demonstrate a good fit in the model. The results show F value is 82.599 while the significant value, p is 0.000 which is lower than the significance level of 0.01. Thus, it is clearly shown that all independent variables (individual entrepreneurial orientation of employee which

are proactive, risk-taking and innovativeness) are significantly influencing the dependent variable (digital strategy performance of company)

Coefficients <sup>a</sup>							
Model	del Unstandardized Standardized		Standardized				
		Coefficients		Coefficients			
		В	Std. Error	Beta	t	Sig.	
1	(Constant)	303	.295		-1.029	.306	
S	Proactive 4	.337	.067	.333	5.027	.000	
IEKHI	Risk-Taking	.280	.087	.249	3.439	.001	
ILI8	Innovation	.462	.071	.417	6.525	.000	
a. Dependent Variable: Digital Strategy Performance							
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Table 4.10: Regression Analysis on Coefficients

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Table 4.10 illustrates that the degree of coefficient beta values for each of the independent variables that have effect on the dependent variable. The results in the above table reveal that B1 = .337, B2 = 0.280, and B3 = .462, respectively to all independent variables. According to the table innovation has the highest coefficient beta value where B3 = 0.462 with t = 6.525 and p < 0.05 as compared to other variables. It indicates that innovation has the strongest relationship with digital strategy performance of company (dependent variable). Additionally, this explores that there are 46.2% variation in dependent variable innovation. Moreover, dimension proactive is the second largest predictor of dependent variable as it has beta value of B1 = 0.337, t = 5.027 and p < 0.05 This shows that 33.7% of an employee's proactive value affects the company's digital strategy performance. Lastly, risk-taking has the lowest impact towards dependent variable as its B2 =-.280, t = 3.439, p > 0.05. Hence, the outcome
marked that the independent variables which are proactive, risk-taking, and innovativeness in employees act as important for the digital strategy performance of the company.

The relationship can be revealed as mathematically analysis equation below which according to the Table 4.10 above: -

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4$$

Where:

*Y* = Dependent variable (Digital Strategy Performance of company)

a = Constant term  $b_1, b_2, b_3, b_4, b_5$  = Coefficient  $X_1$  = Independent variable (proactiveness)  $X_2$  = Independent variable (Risk-Taking)  $X_3$  = Independent variable (Innovativeness) UNIVERSITI TEKNIKAL MALAYSIA MELAKA

Y (Dependent Variable) = -.330 (Constant) + 0.337 (Proactiveness) + 0.280 (Risk-Taking) + 0.462 (Innovativeness)

#### 4.9 Hypothesis Test

The researcher measured significant values where to interpret the results that based on the proposed hypotheses been established in Chapter 3 previously. Hypothesis testing often used in statistics to identify the results of hypothesis that performed based on the sample data. The results of hypothesis testing will have used to test the statistical sample for knowing whether the null hypothesis is accepting or rejecting. In this study of research, hypothesis test has been done to measure all variables using the data figure out through regression analysis. The outcomes that presented in Table 4.11 will be used to examine by measuring the significant value whether the value was lower or bigger than 0.05.

#### 1. Hypothesis 1

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H1: There is significant relationship between proactive employees and the positive impact of digital strategy performance.

Table 4.11 revealed the relationship between proactive employees and digital strategy performance. The result marked significant value of menu visual appeal factor, p = 0.000 which is lower than 0.05. This shown that proactive has a significant relationship on digital strategy performance. Thus, H1 is accepted in this study of research. There is a positive relationship between innovativeness employees and digital strategy performance.

#### 2. Hypothesis 2

H2: There is significant relationship between risk-taking employees and the positive impact of digital strategy performance.

Table 4.11 revealed the relationship between risk-taking employees and digital strategy performance. The result marked significant value of menu visual appeal factor, p = 0.001 which is lower than 0.05. This shown that risk-taking has a significant relationship on digital strategy performance. Thus, H2 is accepted in this study of research. There is a positive relationship between risk-taking employees and digital strategy performance.

#### 3. Hypothesis 3

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H3: There is significant relationship between innovativeness employees and the positive impact of digital strategy performance.

Table 4.11 revealed the relationship between innovativeness and digital strategy performance. The result marked significant value of menu visual appeal factor, p = 0.000 which is lower than 0.05. This shown that innovativeness has a significant relationship on digital strategy performance. Thus, H3 is accepted in this study of research. There is a positive relationship between innovation employees and digital strategy performance.

Hypothesis	T-Value	P-Value	Accepted / Rejected
H1: There is a significant relationship between proactive employees and digital strategy performance.	5.027	.000	Accepted
H2: There is a significant relationship between risk-taking employees and digital strategy performance.	3.439	.001	Accepted
H3: There is a significant relationship between innovation employees and digital strategy performance.	6.525	.000	Accepted

#### Table 4.11: Results of Hypothesis Testing

#### 4.10 Summary

In this chapter, the researcher used Pearson Correlation Analysis and Multiple Regression Analysis in order to undertake Inferential Analysis. This allowed them to effectively test all of the hypotheses that had been suggested in the previous chapter. Before an actual test is carried out, a reliability test is carried out first in order to ensure that all of the instruments included in the questionnaires can be relied upon and that they are completely developed and intelligible. After analysing the data, the researcher determined that there is a substantial association between two independent variables and the dependent variable they were interested in studying, which were individual entrepreneurial orientation and digital strategy performance. The individual entrepreneurial orientation tests all the hypotheses that be accepted. In the next chapter, number 5, we will do an overall analysis. The next chapter will show the limitations as well as the debates that were in this chapter. **CHAPTER 5** 

#### DISCUSSION, CONCLUSION AND RECOMMENDATION



## 5.1 Introduction

In this chapter, the discussion related to the results and findings from data analysis in Chapter 4 are included by researcher. The outcome of data analysis from previous chapter contributed as the answer for the research objectives and hypotheses that have been formed in Chapter 1 and Chapter 2 respectively. Besides, limitation of the study was further discussed as well as future recommendation also have been provided in this chapter. Lastly, an overall conclusion for this study have been presented by researcher.

#### 5.2 Discussion.

The discussion in this section are based on three research objective that have been develop in the chapter 1. The research objective are: (1) to identify the dimension of individual entrepreneurial orientation that contribute the achievement of company digital strategy. (2) to determine the main dimension of individual entrepreneurial orientation (IEO) that contribute the achievement of company digital strategy. (3) to evaluate the relationship between dimension of individual entrepreneurial orientation (IEO) and the achievement of company digital strategy.

# 5.2.1 Objective 1: To identify the dimension of individual entrepreneurial orientation that contribute the achievement of company digital strategy.

The first objective that the researcher wants is to find out the dimension of individual entrepreneurial orientation that contribute to the achievement of the company's digital strategy. This relationship between the independent variables and the dependent variables will be further discussed. Based on the particular analysis in the previous chapter in the Pearson (r) correlation coefficient, the result demonstrated that is a strong positive significant relationship between the proactive and digital strategy performance of the company. This indicates that when the level of proactive is high the good digital strategy performance of the company is. The R-value for proactive is 0.661\*\*, p<.01 which considers a strong correlate relationship between both the independent variable and dependent variable. For example, the questionnaires, that employees excel at identifying opportunities and tend to plan ahead on projects. this shows that these employees are very proactive and indirectly have a positive impact on the digital strategy performance of the company. This can be further explained by the previous researcher Ritala et al (2021) who state that employee proactivity and risk-taking support performance related to digital strategy and entrepreneurial approach. This directly supports that proactive and digital strategy performance has a strong relationship between the independent variable and dependent variable.

Secondly, based on a particular analysis in the previous chapter in the Pearson (r) correlation coefficient, the result demonstrated that is a strong positive significant relationship between risk-taking and the digital strategy performance of the company. This indicates that when the level of risk-taking is high the good digital strategy performance of the company is. The R-value for risk-taking is  $0.682^{**}$ , p< .01 which consider as strong correlate relationship between both the independent variable and the dependent variable. For example, from the questionnaires, employees dare to take risks and are aggressive to seize opportunities and this will improve the digital performance of the company's strategy. This is consistent with the past studies research Ritala et al. (2021) state that employee proactivity and risk-taking support performance related to digital strategy and entrepreneurial approach. This directly supports that proactive and digital strategy performance has a very strong relationship between the independent variable and the dependent variable and the dependent variable and entrepreneurial approach.

Lastly, based on a particular analysis in the previous chapter in the Pearson (r) correlation coefficient, the result demonstrated that is a strong positive significant relationship between innovation and the digital strategy performance of the company. This indicates that when the level of innovation is high the good digital strategy performance of the company is. The R-value for innovation is  $0.699^{**}$ , p < .01 which considers a strong correlate relationship between both the independent variable and dependent variable. For example, from the questionnaires. I am always accepting new ideas and making improvements to them. This shows that employees are very creative and innovative in contributing ideas and making improvements. According to Erikss on & Li (2012) that entrepreneurial innovation is associated with creativity or open-mindedness, which leads to greater firm success. therefore, innovation is one of the important and necessary dimensions of every job and helps in increasing the company's performance.

# 5.2.2 Objective 2: To determine the main dimension of individual entrepreneurial orientation (IEO) that contribute the achievement of company digital strategy.

The second objective that the researcher wants is to find out the main dimension of individual entrepreneurial orientation (IEO) that contribute to the achievement of a company's digital strategy. The main dimension of individual entrepreneurial orientation (IEO) that contribute to the digital strategy performance of a company has been identified based on Beta value with t-value and significant value in Multiple Regression analysis. The finding showed that innovation is the main dimension of individual entrepreneurial orientation (IEO) that contribute most to the digital strategy performance of the company, followed by other dimensions such as proactive and risk-taking.

Based on the result of chapter 4 the multiple regression analysis, innovation is the main dimension of individual entrepreneurial orientation (IEO) that contribute to the digital strategy performance of the company. This is because, this dimension is the most and the higher value of Beta, t-value, and significance. According to table 4.13 Regression Analysis on Coefficients in chapter 4 that an innovation's dimension has the highest coefficient beta value where B = 0.462 with t = 6.525 and p < 0.05 as compared to other variables. It indicates that innovation has the strongest relationship with the digital strategy performance of the company (dependent variable). Additionally, this explores that there are 46.2% variation in dependent variable innovation.

This finding have been verify with past research. According to Julki (2019), Innovation is an analysis of the journey of inspiration, creativity, ideas, or thoughts that starts from the spotlight and deep observation of a person until he feels called to create, change or improve a situation by using various resources to perfect it. This further reinforces why innovation is the main dimension of individual entrepreneurial orientation in achieving digital strategy performance in the Perodua Sale Sdn. Bhd.. about that, the researcher can conclude that employees with high innovation skills can improve the company's performance. for example, employees who innovate can generate new ideas and can make improvements to existing products and systems for the better. In addition, the innovation expertise possessed by employees can also produce digital management, digital infrastructure, digital networking, and digital development performance in a more organized manner and can directly improve the company's performance.

5.2.3 Objective 3: To evaluate the relationship between dimension of individual entrepreneurial orientation (IEO) and the achievement of company digital strategy.

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The third purpose of this research is to evaluate the relationship between dimension of individual entrepreneurial orientation (IEO) and the achievement of company digital strategy. The multiple regression model which is  $R^2$  was utilized by the researcher to determine how well the data fit the regression model. In the linear regression model,  $R^2$  summarizes the proportion of variance in the dependent variable associated with the independent variables. Higher  $R^2$  values indicate that more of the variation is explained by the model up to a maximum of 1, while smaller  $R^2$  values indicate that less of the variation is explained by the model up to a maximum of  $R^2$  must fall between 0 and 1 within the required range.  $R^2$  values ranging from 0 to 1 indicate low, moderate, and high levels of variance, respectively. The findings of the most recent research, which were presented in the chapter before this one, indicate that  $R^2$  values of 0.681 for the digital strategy performance of company are significant.

First of all, proactive dementia will improve the company's digital strategy. A proactive employee will be beneficial to the company's digital strategy. according to Covin el al., (2020), Proactivity is defined as forward-thinking behavior, seeking opportunities that include anticipating future demand and trends ahead of the competition, therefore aggressively entering new products or market areas, gaining a first-mover advantage, and pursuing market leadership positions Covin el at.,(2020). Thus, the company really needs proactive employees, especially in digitization in order to improve the company's performance.

Second, risk-taking is also a dimension of individual entrepreneurial orientation (IEO) of each employee that will contribute to improving the company's performance, based on previous studies by Covin and Slevin (2017) Risk-taking refers to the tendency to engage in high-risk activities with high potential benefits, as well as bold actions in uncertain settings. every worker must have a brave attitude in taking risks. for example, employees must be brave enough to take high risks in order to get good results. therefore, the brave act of taking high risks will provide high benefits such as improving the company's performance.

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Finally, someone who is creative and highly innovative will help improve the company's performance. According to Rauch et al. (2019), innovativeness is the tendency to engage in creative processes, experimentation, and the introduction of new goods and services, departing from existing methods. highly innovative employees are a very high dimension in helping companies succeed. For example, these innovative employees will help in creating systems and products that are better than before to achieve high performance. Therefore, new technology as well as the use of digital technology in the organization to achieve the goal of implementing a digital strategy.

#### 5.3 Contribution to Theoretical Implication

There are several important implications of this study that have been included in this section. By conducting this research, the relationship between dimensions of individual entrepreneurial orientation and the digital strategy performance of Perodua Sale Sdn. Bhd has been identified. Besides, the differences in all variables (pro-active, risk-taking, and innovation) affected to digital strategy performance of the company.

For theoretical implication, the materials in this study gathered from various previous researchers can be taken as a source of reference in conducting some related research in the future. By carrying out this study, it can provide a more deeply theoretical understanding of the relationship between dimensions of individual entrepreneurial orientation and the digital strategy performance of Perodua Sale Sdn. Bhd. Based on the outcomes from the research analysis in Chapter 4, the researcher figures out that all of the independent variables (pro-active, risk-taking, and innovation have a strong positive relationship with the dependent variable (digital strategy performance company). This valuable information also can be referred to as justification for future research.

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In conclusion, the finding research can benefit others by providing a better understanding of the relationship between dimensions of individual entrepreneurial orientation and digital strategy performance. Other researchers also can gain benefits from this research finding to conduct new research in the future.

#### 5.4 Contribution to Practical Implication

For practical implications, the findings of this study are provided as guidelines for large and small companies to measure entrepreneurship for each employee in contributing to the company's digital strategy performance. The results from the previous chapter have stated that the dimension of innovation contributes the highest impact among other variables on the digital strategy performance of the Company, followed by risk-taking and proactive).

The company believes that innovation, proactive, and risk-taking are important and necessary elements in every employee and lead to the digital performance of the company's strategy. Therefore, in order to increase and produce more active and innovative employees, companies need to find initiatives in forming creative and innovative employees. For example, companies can hold special meetings related to innovative and of better quality. Indirectly can increase the economy of the government. The researcher said this because this study will help the company to produce and produce more high-quality workers who are on par with international experts. The production of more high-quality workers will produce quality products and systems that are in high demand from all over the country and the world and ultimately contribute to the national economy.

#### 5.5 Limitation of study

In this particular investigation, the researchers have taken into consideration a number of restrictions that will result in a reduced rate of preparedness for this study. The outcomes of the research need to be interpreted no matter what, taking into consideration the minor limitations of the study. To begin, there is a restriction on the available space at the place. The gathering of data was confined to employees of those who are currently employed by Perodua Sale Sdn. Bhd. Because of this, one cannot simply extrapolate these results to apply to all of the workers working in Perodua Sale Sdn. Bhd. at other businesses. The researcher has to get additional responses from those working for other businesses in addition to those working for their own in order to keep the data as precise as possible. This research will provide more accurate results than previous efforts because to the inclusion of all of the respondents from each individual state.

Secondly, the researchers have observed that a number of respondents, in particular those coming from a variety of various groups of department, are unable to properly comprehend the content of the questionnaires. In addition to this, some of the respondents don't want to complete the surveys because they want to avoid potential problems with social desirability. These problems may occur when participants submit inaccurate answers in an effort to position themselves in a more socially acceptable light. The researcher provided the respondent with a thorough explanation of all of the input and instrument pertaining to this study in the hopes of fostering a greater level of comprehension on the part of the respondent and enabling them to provide responses to the questionnaires that were based on their level of knowledge. Lastly, there is a research that was conducted over a longer period of time. The researcher was only allotted a certain amount of time to conduct his or her studies inside the allotted window. There is a limitation on the amount of time that can be spent investigating a study topic and analysing the data gathering over an extended period of time. When the questions are open-ended, the time it takes for the responder to complete them is longer. This is a concern since the sample size that may be collected as a result is likely to be lower. Therefore, researchers need a sufficient amount of time to examine and investigate more about the research concerns that may develop.

#### 5.6 Recommendation for Future Research

In order to overcome the limitations that have been formulated above, some recommendations have been suggested to be improved for similar research in the future. The first proposition, the research framework presented in this study proposes three different dimensions. The dimensions used in this study are proactive, risk-taking, and innovation. To fully understand these dimensions each and every setting needs to be evaluated objectively. Future researchers can conduct the same study but use different dimensions of individual orientation entrepreneurship such as the dimensions of autonomy, innovation, risk-taking, proactive, and competitive aggressiveness. This will help future researchers get different and better studies. Next, the Researcher suggests considering the possibility of selecting a larger sample when conducting future studies to provide more accurate and precise data, given that the demographic focus is a specific employee staff. In addition, the number of respondents selected for this research is only 120 which is considered a small sample size and not sufficient to represent the entire population. Therefore, here are suggestions for future research that can be done to get better research results.

#### 5.7 Conclusion

This research is focused on the study of the role of individual entrepreneurial orientation and digital strategy performance of Perodua Sale Sdn. Bhd. The analysis of the findings was acquired from 120 respondents at Perodua Sale Sdn. Bhd., and the researcher also utilize Statistical Package for the Social Sciences (SPSS) to perform this study. The researcher discovered, based on the findings and the discussion that the dimension of individual entrepreneurial orientation (IEO) such as proactive, risktaking, and innovation are positively associated with having a significant relationship with the digital strategy performance of Perodua Sale Sdn. Bhd. As a research model, there are three hypotheses that are included among the variables. These hypotheses are as follows: H1: There is a significant relationship between the proactive and digital strategy performance of the company; H2: There is a significant relationship between risk-taking and digital strategy performance of the company; H3: There is a significant relationship between innovation and digital strategy performance of the company. All the hypotheses H1, H2, and H3 are accepted since their p-values are lower than 0.05. Among the three independent variables, the innovation dimension has the strongest bond to the digital strategy performance of the company, followed by proactive and risk-taking. Risk-taking is the weakest determinant affecting the digital strategy performance of the company which has been present in the previous chapter. Therefore, objectives 1, 2, and 3, it had been successfully achieved and proved by the researcher.

Furthermore, some limitations in data collection as well as in conducting this research have been stated in this study. Anyway, some useful recommendations for future research have been suggested in order to gain more accurate results as well as lead to high-quality studies in the future

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Tasks	Week														
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## Gantt Chart PSM 1

### Gantt Chart of PSM 2

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## FAKULTI PENGURUSAN TEKNOLOGI DAN TEKNOUSAHAWAN (FPTT)

## THE ROLE OF INDIVIDUAL ENTREPRENUERIAL ORIENTATION (IEO) AND DIGITAL STRATEGY PERFORMANCE OF COMPANY

Purpose of	The main purpose of this study is to examine individual entrepreneurial
questionnaire:	orientation (IEO) that contributes to the achievement of a company's
TER	digital strategy. Findings from this research will help us understand the
E	level and performance of individuals in achieving the organization's
S SAINT	digital performance
Notes:	This questionnaire is divided into three parts. The first part is about the
) האנב	demographic information of the respondents. The second part is about
UNIVER	the role of individual entrepreneurial orientation (IEO) and the third part
01111	companys' digital strategy performance.
	You have been carefully considered and selected to represent on behalf
	of the respondents for this study.
For further	Farzana Izzati binti Abdullan
For further clarification	e-mail : <u>b061910180@student.utem.edu.my</u>
For further clarification and/ or	e-mail : <u>b061910180@student.utem.edu.my</u> Tel: 011-36641142 / 017-4455262
For further clarification and/ or instruction	e-mail : <u>b061910180@student.utem.edu.my</u> Tel: 011-36641142 / 017-4455262 Supervisor: Dr. Norhidayah binti Mohamad
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For further clarification and/ or instruction please contact:	<ul> <li>Farzana Izzati binti Abdullan</li> <li>e-mail : b061910180@student.utem.edu.my</li> <li>Tel: 011-36641142 / 017-4455262</li> <li>Supervisor: Dr. Norhidayah binti Mohamad</li> <li>e-mail: norhidayah@utem.edu.my</li> <li>Address: Faculty of Technology Management and Technoprenuarship,</li> <li>Universiti Teknikal Malaysia Melaka,</li> <li>Jalan TU62, 75350 Ayer Keroh, Melaka</li> <li>Fax: 06-283 3131</li> </ul>

## SECTION A: DEMOGRAPHIC PROFILE

Please answer all the questions in this part. Please tick ( $\sqrt{}$ ) on the space provided.

Sila jawab semua soalan di bahagian ini. Sila tandakan  $(\sqrt{})$  pada ruang yang disediakan.

1. Gender

Male Female
-------------

#### 2. Age

20 to 29 years old	40 to 49 years old	
30 to 39 years old	Above 50 years old	

## 3. Managerial position.

Digital unit	Specialize unit
Sales and marketing unit	Others

## 4. Education level

SPM (ملسب) مراجع	-	Degree	
Diploma/STPM -		Others	

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## 5. Organizational experience.

1-3 years	7-9 years	
4-6 years	More than 10 years	

## SECTION B: THE ROLE OF INDIVIDUAL ENTREPRENUERIAL ORIENTATION (IEO)

The following is a statement according to the dimension of individual entrepreneurial orientation to determine the personality and performance of employees in improving the company's digital strategy. Please indicate the extent to which you agree with the following statements using the appropriate scale.

Berikut adalah pernyataan mengikut dimensi orientasi keusahawanan individu untuk menentukan personaliti dan prestasi pekerja dalam meningkatkan strategi digital syarikat. Sila nyatakan sejauh mana anda bersetuju dengan pernyataan berikut menggunakan skala yang sesuai.

Strongly Disagree Sangat tidak setuju	Disagree Tidak setuju	<b>Moderate</b> Sederhana	Agree Setuju	<b>Strongly Agree</b> Sangat setuju
1	2	3	4	5
AININ .				

رسيتى تيكنيكل مليسيا ملاك

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## **Proactive ness**

An employee's proactive personality can determine the performance of a company's digital strategy.

Personaliti proaktif pekerja dapat menentukan prestasi strategi digital syarikat.

Proacti	veness	1	2	3	4	5
1	Typically, I take the initiative to solve upcoming issues, meet upcoming demands, or adapt to upcoming changes. ( <i>Biasanya, saya mengambil inisiatif untuk menyelesaikan</i> <i>isu akan datang, memenuhi permintaan akan datang atau</i> <i>menyesuaikan diri dengan perubahan akan datang.</i> )					
2 3	I am quite good at foreseeing possibilities and developing comprehensive plans for tasks. ( <i>Saya cukup mahir dalam meramalkan kemungkinan dan membangunkan rancangan komprehensif untuk tugasan</i> ) I tend to "step up" and start initiatives rather than wait for others.					
1	(Saya cenderung untuk "meningkatkan" dan memulakan inisiatif daripada menunggu orang lain.					
4	<ul> <li>I like to discuss issues related to improvements that can be made to the company.</li> <li>(Saya suka berbincang berkaitan isu-isu penambahbaikan yang boleh dilakukan keatas syarikat )</li> </ul>	اون KA				
5	I am passionate about introducing new products/services. (Saya seorang yang bersemangat dalam memperkenalkan produk/perkhidmatan baru)					

## <u>Risk-Taking</u>

An employee's risk -taking personality can determine the performance of a company's digital strategy.

Personaliti mengambil risiko pekerja dapat menentukan prestasi strategi digital

syarikat

Risk	-taking	1	2	3	4	5
1	Being pushed to take intelligent chances on unproven ideas is a source of inspiration for me, and I like taking risks myself. (Didesak untuk mengambil peluang bijak pada idea yang tidak terbukti adalah sumber inspirasi untuk saya, dan saya sendiri suka mengambil risiko)					
2	I'm willing to spend a lot of time and money on something that could give me a high return. I'm eager to take bold, wide- ranging steps to reach my goals. (Saya sanggup menghabiskan banyak masa dan wang untuk sesuatu yang boleh memberi saya pulangan yang tinggi. Saya tidak sabar-sabar untuk mengambil langkah yang berani dan meluas untuk mencapai matlamat saya.)					
3	I tend to be "bold" while making risky judgments in the face of uncertainty. (Saya cenderung untuk "berani" semasa membuat pertimbangan berisiko dalam menghadapi ketidakpastian)					
4	I tend to choose risky projects if it benefits the job and the company. (Saya cenderung memilih projek berisiko jika ia memberikan kebaikan kepada pekerjaan dan syarikat.) I dare to take risks and be aggressive to seize opportunities.					
	(Saya berani mengambil risiko dan agresif untuk merebut peluang)					
6	I am someone who takes a bold and aggressive stance when faced with decision-making situations involving uncertainty to maximize potential. (Saya seorang yang pendirian yang berani dan agresif apabila berhadapan dengan situasi membuat keputusan yang melibatkan ketidakpastian untuk memak simumkan potensi)					

## Innovativeness

An employee's innovative personality can determine the performance of a company's digital strategy.

Personaliti inovatif pekerja dapat menentukan prestasi strategi digital syarikat.

Innovativeness		1	2	3	4	5
1	In general, I like initiatives that put focus on novel, cutting-edge					
	methods over those that merely recycle older ones.					
	(Secara umum, saya suka inisiatif yang menumpukan pada kaedah					
	yang baru dan canggih berbanding yang hanya mengitar semula yang					
	lebih lama)					
2	I like to learn new things my own way rather than following everyone					
	else.					
	(Saya suka belajar perkara baharu dengan cara saya sendiri daripada					
	mengikuti orang lain.)					
3	Instead of relying on tried-and-true tactics, I want to try new things and					
	come up with my own solutions.					
	(Daripada bergantung pada taktik yang telah dicuba dan benar, saya					
	mahu mencuba perkara baharu dan menghasilkan penyelesaian saya					
	sendiri)					
4	I am always accepting new ideas and making improvements to them.	91				
	(Saya sentiasa menerima idea-idea baharu dan membuat					
	penambahbaikan kepada idea tersebut.) – MALAYSIA MELAP	A				
5	I always give and contribute new ideas to the company.					
	(Saya sentiasa memberi dan menyumbang idea-idea baharu untuk					
	syarikat.)					
6	I provide new ideas such as applying new digital technology in the					
	production of company products/services.					
	(Saya memberikan idea-idea baharu seperti mengaplikasikan teknologi					
	digital baharu dalam pengeluaran produk /perkhidmatan syarikat.)					

### SECTION C: DIGITAL STRATEGY PERFORMANCE OF COMPANY

## Digital strategy performance of company

Employee personality can determine the performance of a company's digital strategy

Personality perkerja dapat menentukan prestasi strategi digital syarikat

		1	2	3	4	5
1.	To implement a profitable digital business.					
	(Untuk melaksanakan perniagaan digital yang					
	menguntungkan.)					
2.	To make quick consistent and clear digital business decisions					
	(Untuk membuat keputusan perniagaan digital yang konsisten					
	dan jelas dengan cepat.)					
3.	To create customer and business value from our data resources.					
	(Untuk mencipta nilai pelanggan dan perniagaan daripada					
	sumber data kami.)	V				
4.	To have a trusted and secure data infrastructure.					
	(Untuk mempunyai infrastruktur data yang dipercayai dan	-4				
	selamat)					
5.	To optimize the use of external digital resources	يبوم	91			
	(Untuk mengoptimumkan penggunaan sumber digital luaran)					
6.	Proactive awareness of trends and relevant opportunities.	LAI	(A			
	(Kesedaran proaktif tentang trend dan peluang yang berkaitan)					
7.	Co-creating with customers to solve important problems					
	(Mencipta bersama pelanggan untuk menyelesaikan masalah					
	penting)					
8.	Efficient and flexible approach to development projects.					
	(Pendekatan yang cekap dan fleksibel untuk projek					
	pembangunan)					

We sincerely thank you for your precious time and participation on this survey. We can assure you that your information will be kept strictly confidential. - END OF QUESTION

