



## *Full Length Research Paper*

# **Entrepreneurial intentions as a factor to job performance in public organization**

**Muhammad Abi Sofian Abdul Halim<sup>1</sup>, Wan Najwa Farhana Wan A Latif<sup>2</sup>, Zainuddin Zakaria<sup>3</sup> and Mohd Ariff Bin Kamaludin<sup>4</sup>**

<sup>1</sup>Universiti Teknologi MARA (Terengganu), Chendering Campus, 21030, Terengganu, MALAYSIA.

<sup>2</sup>Universiti Teknologi MARA (Terengganu), Chendering Campus, 21030, Terengganu, MALAYSIA.

<sup>3</sup>Universiti Teknologi MARA (Terengganu), Dungun Campus, 2300, Dungun, Terengganu, MALAYSIA

<sup>4</sup>Universiti Teknologi MARA (Terengganu), Dungun Campus, 2300, Dungun, Terengganu, MALAYSIA

Accepted May 30 2013

**The objective of this paper is to measure the significant relationship between entrepreneurial intentions and reward with job performance among employees in the Terengganu's Educational Department. In this paper, job performance is the dependent variable, Entrepreneurial intentions is the independent variable which included five factors; pro-activeness, innovativeness, team-building, risk-taking and autonomous decision making. In addition, the utilisation of reward was also investigated as a moderating variable. A total of 197 questionnaires were distributed to employees at the Terengganu Education Department. However, only 168 were completed and returned to the researchers. Analysis of the data revealed that the five factors (e.g. pro-activeness, innovativeness, team-building, risk-taking and autonomous) in the entrepreneurial intentions construct are correlated with job performance of the employees. However the strength of the association of these variables is moderate. Furthermore, the utilisation of reward does not moderate the relationship between entrepreneurial intentions and the job performance of employees at the Terengganu Educational Department.**

**Keywords:** Entrepreneurial intentions, job performance, employees, educational department, pro-activeness, innovativeness, risk-taking, team building, reward, autonomous.

## **INTRODUCTION**

The concept of entrepreneurial intentions has become a major component in human resources development, where employee's job performance is concerned. In fact, employee's high performance can be link to those who have a high level of entrepreneurial intentions. As the

Malaysian public sectors grow from being an organisation that depends on routine procedures into highly technologically inclined society that values speed and precision, the positive elements of entrepreneurial intentions has become more important in motivating its employees to perform at the their highest level. In its effort to become a developed country, the Malaysia government hopes to develop and expand its development of human capital in a field of

\* Corresponding Author's Email: [abisofian@tganu.uitm.edu.my](mailto:abisofian@tganu.uitm.edu.my)

entrepreneurial intentions which includes the factors of pro-activeness, innovativeness, team-building, risk-taking and autonomous decision making. Furthermore, the concept of entrepreneurial intentions has been identified as one of the key element in improving job performance among employees Malaysian government sectors. The Terengganu Educational Department is one of the government agencies that were identified to encourage strong entrepreneurial intentions among employees. Hence, the purpose of this paper is to determine the relationship between entrepreneurial intentions, reward and job performance among employees at the Terengganu Educational Department. The Terengganu Educational Department is a government agency under the supervision of the Malaysia Ministry of Education with a mission statement; *"To Develop Individual Potential through Quality Education"*. The mission of the Terengganu Educational Department is to improve the quality of management of education institutes, to enhance the development of educational infrastructure, to enhance the performance of student in various aspects of education, to increase the professionalism in education management and to enhance collaboration in education. In addition, the Terengganu Educational Department has been emphasising the development of facilities and also the quality of educational management. Historically, the Terengganu Educational Department is organized into five departments, which include Humanity Management Development, Service Management Development, Sector of Islamic and Moral Education. The management of Terengganu Educational Department has added two more departments in 2007, which are; Department of Quality Assurance, and Department of Private Education and Special Education. In addition, the Information Management and ICT department were added to improve the ability of students in information technology. However, the authors' postulates that most of the employees in Terengganu Educational Department are not really satisfied the method of evaluation that has been implemented, where each of employees has been assigned with specific work based on their job specification. Therefore, the evaluation is totally depending on the jobs that have been done.

## LITERATURE REVIEW

The concept of entrepreneurial intentions and entrepreneurial orientation has its root in entrepreneurship field theory, which was discussed by Antoncic et al., (2005), Dess et al., (2003), Rothwell and Sredl (1991), Derrick et al. (2003), and Klein et al.,(2010). Antoncic et al., (2005) who conducted a study on entrepreneurship among Australian firms discovered that pro-activeness is one of the dimensions in their redefined measures of entrepreneurship which is in line with previous measures of corporate entrepreneurship.

On the other hand, Bosma et al (2011) and Wood and McKinley (2010) found pro-activeness as an opportunity-seeking, forward looking perspective involving the ability of introducing new products or services ahead of the competition and acting in anticipation of future demand to change and shape the environment. By combining pro-activeness with insights on early-stage entrepreneurship activity, a detailed list of relevant activity and behavioural aspects of was formulated.

Furthermore, Antoncic et al., (2005) suggested that the element of entrepreneurship is attached with various forms of creativity which is organisational renewal, innovation and establishing new ventures. He argues that these three elements are among the most important element of entrepreneurship. It includes several entrepreneurship construct and refer to product and service innovation with the emphasis on development and innovation in technology. Covin and Wales (2012) suggested that researchers have the liberty to choose their own measurement approach in measuring entrepreneurial orientation construct. They argue that this is consistent with the different conceptualization of the entrepreneurial orientation construct. In the same note, Callaghan (2012) discovered that both "learning program" and "total years of education" may significantly influence entrepreneurial orientation among traders. The researchers argue that the same association is applicable in the context of a public organization. Furthermore, De Jong & Wennekers (2008) and De Jong et.al, (2011) explains that be innovative and resourceful in obtaining approvals is the key to achieve high credibility.

In an entrepreneurial environment, the innovative team needs to be composed of individuals from different groups across different departments of the organization. Krueger (1994) stated that organizational development is comprised of a variety of interventions for different types of organizations, intergroup relations, team or groups, pair, and individuals. He said that process of developing or enhancing cohesion can be accomplished through a process known as team building. Team building has been identified as the most powerful and important intervention in an organisation development. Furthermore, Miller and Friesen (1982) defined that risk taking as the degree to which managers are willing to make large and risky resource commitment like those who have a reasonable chance of costly failure. According to the social learning theory, risk taking behaviours can be viewed as learned behaviour often transmitted by parents and other influential individuals and shaped by the socio-cultural environment. Boyatzis (2002) also suggested that the conditions of the workplace are even more driven by the need for employees to be autonomous. He also added that autonomous learners may not experience the learning that they desire to learn. Furthermore, Danish and Usman (2009) indicated that reward is considered as an important management tools in an attempt to align the

goals of the employees with the goals of the firm. Furthermore, Jamal and Jones (2006) define job performance as a function that an individual can successfully perform within the framework of the normal constraints and available resources. Additionally, job performance is one of the most important constructs in both organizational psychology and human resource management. They also came up with eight general factors of job performance which included job specific proficiency, non job specific task proficiency, written and oral communication, demonstrating effort, maintaining personal discipline, maintaining peer and team performance, leadership, and management. Calendo and Kritikos (2012) further suggested that investigation is needed to further determine the different effect of type-specific environment on entrepreneurship. Their studies could help explain the differing magnitude of the positive link between personality structure and self-employment between various groups.

## OBJECTIVE

The objective of this study is to measure the relationship between the elements of entrepreneurial intentions and job performance among employees in the Terengganu Educational Department. There are five factors of entrepreneurial intentions that have been identified in past literature, which includes pro-activeness, innovativeness, team-building, risk-taking, and autonomous decision making. Additionally, this paper explores the effect of reward in moderating the relationship between entrepreneurial intentions and job performance.

## Hypothesis and theoretical framework

Based on the review of literature discussed earlier, ten hypotheses were developed which are divided into two groups. The first group of hypotheses measures the relationship between entrepreneurial intentions and job performance which are stated as follows;

H1: There is a significant association between pro-activeness and job performance in Terengganu Educational Department.

H2: There is a significant association between innovativeness and job performance in Terengganu Educational Department.

H3: There is a significant association between team-building and job performance in Terengganu Educational Department.

H4: There is a significant association between risk-taking and job performance in Terengganu Educational Department.

H5: There is a significant association between autonomous decision making and job performance in Terengganu Educational Department.

Secondly, this paper also investigated the role of reward as a moderating variable in the relationship between entrepreneurial intentions and job performance.

H6: Utilizing the reward would significantly moderate the relationship of pro-activeness and job performance in Terengganu Educational Department.

H7: Utilizing the reward would significantly moderate the relationship of innovativeness and job performance in Terengganu Educational Department.

H8: Utilizing the reward would significantly moderate the relationship of team-building and job performance in Terengganu Educational Department.

H9: Utilizing the reward would significantly moderate the relationship of risk-taking and job performance in Terengganu Educational Department.

H10: Utilizing the reward would significantly moderate the relationship of autonomous and job performance in Terengganu Educational Department.

## METHODOLOGY

In order to measure the perceived relationships between entrepreneurial intentions, reward and job performance, structure questionnaires was distributed to the Terengganu Educational Department employees to gain their perspective on all three concepts. The researchers then used SPSS to analyze the data using descriptive analysis frequency distribution, reliability analysis, and correlation coefficient.

## Population

A total of 347 employees working at the Terengganu Education Department were identified as the population for this paper. The employees were selected from eight different departments.

## Sample Size

According to Sekaran (2006), extremely large sample size could become a problem to conduct a research. Sekaran (2006) suggested that a sample size larger than 30 and less than 500 are appropriate for most research. For this study, the total population is 347 and the sample size is 196 was constructed. Then, simple random sampling has been choosing because it is high generalisability of findings. All elements in the population are considered and each element has an equal chance of being chosen as the subject.

## ANALYSIS AND FINDING

In this study, researcher was distributed 197 questionnaires to employees at Terengganu Educational

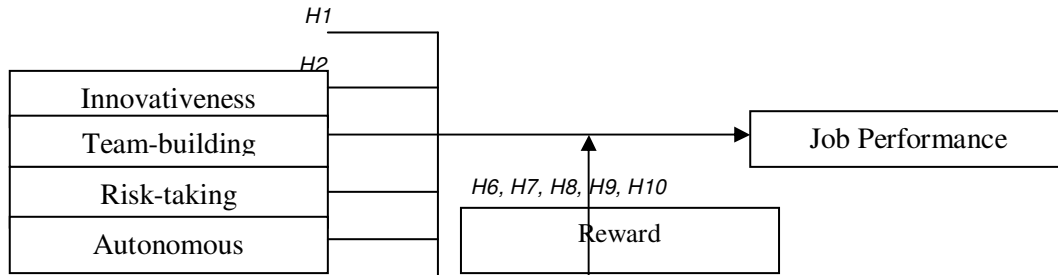


Figure 1. Theoretical Framework of Entrepreneurial Intentions and Reward toward the Job Performance

Table 1: Population and Sample Size

Sectors	No of population	Sample size	Percentage (%)
School Management	46	26	13.26%
Academic Management	32	18	9.22%
Development and Humanity Management	66	37	19.02%
Service Management and Development	127	72	36.60%
Islamic and Moral Education	30	17	8.65%
Quality Assurance,	13	7	3.74%
Private Education and Special Education	21	12	6.05%
Information Management and ICT.	12	7	3.46%
Total	347	196	100%

Table 2: Demographic Profiles

Item	No	%	Item	No	(%)		
Gender	Male	64	38.1	Field of Study	Education	63	37.5
	Female	104	61.9		Business	34	20.2
Age	18 – 28	40	23.8		Science Tech	31	18.5
	29 – 39	62	36.9		Religions	21	12.5
	40 – 50	49	29.2		Social study	17	10.1
	51 – 61	17	10.1	SPM	83	49.4	
Origin	Terengganu	133	79.2	Diploma	42	25	
	Other States	35	20.8	Degree	43	25.6	
			Job Position	Professional management	43	25.6	
				Supporting management			
					125	74.4	

Department. However, there are only 168 questionnaires was returned and completed to answered.

**Frequency Analysis**

Table 2 shows that 38.1% of respondents are male which represent 64 respondents while another 61.9% are female which represent 104 respondents. There are 23.8% respondents between the ages of 18 to 28 which represent 40 respondents. Those between the ages of 29 to 39 years old equals to 36.9% that represent 62 respondents. It was followed by those in the 40 to 50 years old age group, which is 29.2% that represent 49 respondents. Lastly, there were 17 respondents that age 51 to 61 years old, which is 14%.

A total of 133 respondents are from Terengganu,

which represent 79.2%. Meanwhile, another 20.8% of the respondents are from outside Terengganu, which equals to 35 respondents. Based on the table 2 above, the highest percentage of respondents (37.5%) received their study in the Educational field which equals to 63 respondents. This is followed by 34 respondents from the Business field which equals 20.2% of respondents. There are 31 respondents who studied in Science Technology field which equal to 18.5% of total respondents. 21 of the respondent come from the religions field which represents 12.5% of total respondents. Employees who studied in the Social form the lowest group of respondents (17) which equals to 10.1% of total respondents. In terms of education, 49.4% of respondents are SPM (Sijil Pelajaran Malaysia) holders with 83 respondents. Forty two or 25% of the respondent have a Diploma. Respondent who has a

Table 3: Reliability Analysis

Variables	No of item	Cronbach's Alpha
Pro-activeness	9	0.826
Innovativeness	10	0.861
Team-building	10	0.862
Risk-taking	10	0.797
Autonomous	10	0.863
Reward	10	0.855
Job performance	10	0.861

Table 4: Coefficient Correlation between Entrepreneurial Intentions and Job Performance

Entrepreneurial Intention	Job Performance			Number of respondents	Description
	Pearson Correlation	Sig. (2-tailed)			
<i>H1</i> Pro-activeness	.468**	.000		168	Moderately correlated
<i>H2</i> Innovativeness	.555**	.000		168	Moderately correlated
<i>H3</i> Team-building	.523**	.000		168	Moderately correlated
<i>H4</i> Risk-taking	.276**	.000		168	Weakly correlated
<i>H5</i> Autonomous	.482**	.000		168	Moderately correlated

\*\*Correlation is significant at the 0.001 level (2-tailed)

Degree equals to 25.6% of total respondents which equals to 43 employees. Most of the respondents work as supporting managers (74.4%) which equals to 125 persons. Another 25.6% of the respondents work as professional managers, which equals to 43 persons.

### Reliability analysis

According to Sekaran (2006), the reliability less than 0.60 was considered as poor, those in range 0.70 was to be acceptable and for the result at the range 0.80 and above considered as good. The closer Cronbach's Alpha is to 1, the higher the internal consistency is. As well as show in a table 3, there is only the factor of risk-taking is below 0.8. Meanwhile, the others factors are above 0.8 which considered that the questions are without bias, with consistent and stable.

### Relationship between entrepreneurial intention and job performance

In order to study the relationship of entrepreneurship intentions and job performance, five hypotheses have been developed based and tested using Pearson Correlation. As shown in table 4, the hypothesis test of *H1* indicates that the relationship of pro-activeness and job performance is significant and moderately correlated ( $r=.468$ ,  $p=.000$ ). The hypothesis testing of *H2* indicates that a significant correlation exists between Innovativeness and Job Performance with a Pearson correlation value of 0.555. This value indicates that there is moderate relationship between Innovativeness and

Job Performance. In addition, the third hypothesis (*H3*) test also indicated that the team-building is significantly correlated with the job performance ( $r=.523$ ,  $p=.000$ ).

Furthermore, the hypothesis testing of *H4* showed there is significant ( $p= 0.000$ ) and weak relationship (0.276) between Risk-taking and Job Performance. Hence the alternate hypothesis *H4* is accepted. Finally, the hypothesis testing of alternate hypotheses *H5* revealed there is a significant correlation ( $p= 0.000$ ) between Autonomous Decision Making and Job Performance with a moderate Pearson correlation of 0.482.

### Reward as a moderating variable in the relationship between entrepreneurial intentions and job performance

The analysis aims to determine whether reward is a moderating variable in the relationship between entrepreneurial intentions and job performance. The alternate hypothesis *H6* shows that there is a significant correlation between pro-activeness, job performance and reward ( $r=.408$ ,  $p=.000$ ). However, the Pearson correlation value indicates that the correlation is lower when compared to the value of *H1* without the moderating variable. Furthermore, the value of the alternate hypothesis *H7* indicates that the correlation value equals to 0.446, revealing a moderate relationship between reward, innovativeness and job performance. This value is lower when compared to the previous result without the moderating variable. This means that the employees' perception on reward significantly moderates the relationship between innovativeness and job

**Table 5.** Correlation Reward as the Control Variable

Control Variables				Job performance	Description
<b>H6</b>	Mean Reward	Mean Pro-activeness	Correlation	0.408	Moderately Correlated
			Significance (2-tailed)	0	
			df	165	
<b>H7</b>		Mean Innovativeness	Correlation	0.446	Moderately Correlated
			Significance (2-tailed)	0	
			df	165	
<b>H8</b>		Mean Team-building	Correlation	0.443	Moderately Correlated
			Significance (2-tailed)	0	
			df	165	
<b>H9</b>		Mean Risk-taking	Correlation	0.107	Not Significance
			Significance (2-tailed)	0.17	
			df	165	
<b>H10</b>		Mean Autonomous	Correlation	0.346	Weakly Correlated
			Significance (2-tailed)	0	
			df	165	

performance. The testing of alternate hypothesis *H8* indicates that there is a significant and moderate correlation between reward, team building and job performance as shown by the *p* value of 0.00 and the Pearson correlation of 0.443. However, the correlation value is lower when compared to the result without the moderating variable which equals to 0.523. The value explains that there is moderate relationship between Reward, Team Building and Job Performance.

The hypothesis testing analysis of *H9* showed a correlation value of 0.107, which indicates a very weak and almost negligible relationship between reward, risk taking and job performance. This means that the perception of reward completely moderates the relationship between risk taking and job performance. The two tailed significance test value equals 0.170. The value is greater than 0.05, indicating the nonexistence of any significant correlation between reward, risk taking and job performance. Therefore, the alternate hypothesis, *H9* is rejected. Finally, the significant value ( $p=0.000$ ) in the hypothesis testing of *H10* in table 5 showed that there is a significant correlation between reward, autonomous decision making and job performance. Hence the alternate hypothesis *H10* is accepted. The Pearson correlation value equals 0.346, which is lower than the correlation analysis of hypothesis *H5* without the moderating variable. The researcher postulates that there is a weak but significant relationship between these three variables. In conclusion, perception of reward among the employees at the Terengganu's Education Department significantly moderates the relationship between entrepreneurial intentions and their Job Performance.

## DISCUSSION AND CONCLUSION

The finding in this paper suggested that the job performance of employees in Terengganu Educational Department is moderately affected by the five factors of entrepreneurial intentions; pro-activeness,

innovativeness, team building, risk taking and autonomous decision making. The result discovered in this paper supports the findings of Al-Swidi and Mahmood (2012) who suggested that entrepreneurial orientation has a strong impact on organizational performance

In addition, the perception of reward significantly moderates the association between the employees' entrepreneurial intentions and their job performance. Furthermore, it can be interpreted that the perception on the reward expected is a dominant factor in job performance. The result of the hypothesis testing showed that all the independent variables have a positive relationship with the dependent variable. Among all the entrepreneurial intentions shown by employees at the Terengganu Educational Department the strongest relationship is displayed between innovativeness and job performance indicated by the Pearson Correlation Coefficient value of 0.555. Furthermore perception reward expected moderates the relationship between the independent variables and dependent variable. The researcher also discovered that the findings of this paper suggest that entrepreneurial intentions are important in creating productive and satisfied employees which is similar to the research by Lee et. al (2011). Lee et.al (2011), however suggested that job satisfaction mediates the relationship between Innovation Climate and Technical Excellence Incentives and Entrepreneurial Intentions. Moreover, result of this paper may provide greater awareness on how entrepreneurial intentions coupled with positive perception reward system is crucial in motivating employees to perform better. As a conclusion, most of the employees in Terengganu Educational Department are influenced by their entrepreneurial intentions and positive perception on the reward system in improving their job performance.

## REFERENCES

- Al-Swidi AK, Mahmood R (2012). Total Quality Management, Entrepreneurial Orientation and Organizational Performance: The

- Role of Organizational Culture. *African Journal of Business Management*, 6(13): 4717-4727.
- Antoncic B, Douglas E, Fitzsimmons J, Hisrich R (2005) Intrapreneurship in Australian Firms. *Journal of the Australian and New Zealand Academy of Management*, 11(1): 17-27.
- Bosma N, Stam E, Wennekers S (2011). International Council for Small Business (ICSB). *World Conference Proceedings: 1-26*. Washington: International Council for Small Business (ICSB).
- Boyatzis RE (2002). *Unleashing the Power of Self-directed Learning*. In R. Sims (Ed.), *Changing the Way We Manage Change*. NY: Quorum Books.
- Callaghan C, Venter R (2012). An Investigation of the Entrepreneurial Orientation, Context and Entrepreneurial Performance of Inner-City Johannesburg Street Traders. *Southern African Business Review*, 15(1).
- Covin JG, Wales WJ (2012). The Measurement of Entrepreneurial Orientation. *Entrepreneurship Theory and Practice*, 36(4):677-702
- Danish RQ, Usman A (2009). Impact of Reward and Recognition on Job Satisfaction and Motivation: An Empirical study from Pakistan. *International J. Business and Management*, 5(2):150-167.
- De Jong JPJ, Parker SK, Wennekers S, Wu C (2011). Corporate Entrepreneurship at the Individual Level: Measurement and Determinants (Vol. 201108). EIM Research report.
- De Jong, J. and S. Wennekers (2008), *Intrapreneurship: Conceptualizing Entrepreneurial Employee Behaviour*, Research Report H200802, Zoetermeer: EIM.
- Dess GG, Ireland RD, Zahra SA, Floyd SW, Janney JJ, Lane PJ (2003). Emerging Issues in Corporate Entrepreneurship. *Journal of Management*, 29:351-378
- Jamal L, Jones A (2006). Perceived Job Characteristics and Job Satisfaction: An Examination of Reciprocal Causation. *Personnel Psychology*, 33(1):97-135.
- Klein PG, Mahoney JT, McGahan AM, Pitelis CN (2010). Toward a Theory of Public Entrepreneurship. *European Management Review*, 7(1):1-15.
- Krueger NF (1994). The impact of prior entrepreneurial exposure on perceptions of new venture desirability and feasibility. *Entrepreneurship Theory and Practice*, 18 (1): 5-21.
- Lee L, Wong PK, Foo MD, Leung A (2011). Entrepreneurial Intentions: The Influence of Organizational and Individual Factors. *Journal of Business Venturing*, 26(1):124-136.
- Miller D, Friesen PH (1982). Innovation in conservative and entrepreneurial firms: Two models of strategic momentum. *Strategic Manag. J.* 4: 221-235.
- Rothwell R, Dodgson M (1991), External linkages and innovation in small and medium-sized enterprises. *R&D Manag.* 21(2):125-138.
- Sekaran (2006),
- Wood MS, McKinley W (2010). The Production of Entrepreneurial Opportunity: A Constructivist Perspective. *Strategic Entrepreneurship J.* 4(1):66-84
- Zellweger TM, Nason RS, Mattias Nordqvist M (2012). From Longevity of Firms to Transgenerational Entrepreneurship of Families: Introducing Family Entrepreneurial Orientation. *Family Business Review*.25(2):36-155