



## The Effect of Entrepreneurial Orientation towards Job Performance among Lecturers

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### Abstract

Education has been identified as one of the important factor in realizing the status of a developed country for Malaysia. The responsibility is even bigger for higher learning institution as the catalyst in shaping the youth as the leaders for the future. In higher learning institutions, the responsibilities of bringing excellence to their institutions are everyone's responsibility. Academics need to be proactive, innovative and willing to take certain risks in exploring opportunities for their development in the respective universities. The criteria mentioned are very much related to the dimensions of entrepreneurial orientation. However very limited study has been made linking entrepreneurship with job performance among lecturers. As there is a significant gap in this area, this paper will study the presence of the traits of academic entrepreneurial orientation with respect to their job performance.

### INTRODUCTION

Malaysia Vision 2020 lays the foundation for the nation to achieve the status of a developed country by the year 2020, putting much emphasis in education in the nation's effort to build a knowledge-based economy (Rahim et al, 2015). In higher learning institutions, the responsibilities of bringing excellence to their institutions are everyone's responsibility. Academics need to be proactive, innovative and willing to take certain risks in exploring opportunities for their development in the respective universities. The criteria mentioned are very much related to the dimensions of entrepreneurial orientation. Therefore certain initiatives have been taken to increase the competencies of lecturers in regards entrepreneurial context. For example, the largest university in Malaysia, Universiti Teknologi MARA has introduced a policy whereby entrepreneurship activity has been made compulsory for promotion requirement. Lecturers have to participate in entrepreneurship activities in order for them to score higher marks for promotion (Rahim & Chik, 2014). However, the implication of introducing this policy is debatable due to the fact that despite significant number of research, the strength of direct relationships between entrepreneurship and performance is mostly less robust than the normative belief would indicate (Douglas, Lumpkin & Gregory, 2000). It is even scarcer in term of linking entrepreneurship with job performance among lecturers. As there is a significant gap in this area, this paper will study the presence of the traits of academic entrepreneurial orientation with respect to their job performance. It is hoped that with this study, we are able to understand better whether entrepreneurial orientation of an academic would have significant relationship with job performance and serve the literature gap.

## LITERATURE REVIEW

### *Entrepreneurship and Entrepreneurs*

Studies indicated an agreement among researchers that there is no definition of entrepreneurship that is considered as a universally accepted definition (Brown, 2000; Henry et al., 2005). There are different schools of thoughts, each with its own definition. According to Low and McMillan (1988), entrepreneurship is the creation of new enterprises. To Bruyat and Julien (2000), entrepreneurship is seen as a change process, that results in the creation of new values and entrepreneur as business founder.

Schumpeter (1911) sees an entrepreneur as an individual who introduces new products and new services, or creates new forms of organisation, or exploits new raw materials. It is necessary to destroy the economic order in existence in order to benefit from the new structure. Hamilton and Harper (1994) define an entrepreneur as a person who takes certain level of risks in order to capitalise on an invention. On the other hand, Thompson (1999) views an entrepreneur as someone who is able to identify unexploited business opportunities.

Although there are differing definitions of what entrepreneurs are made of, there are common characteristics and issues that the scholars can agree to. Mainly, they agree that an entrepreneur is someone with the unique instinct to see change as an opportunity for value creation (Rahim et al, 2015). Based on the definition laid out by the theorists, it can be said that entrepreneur is an innovator that creates and exploits opportunity, consequently creating value and change towards the economy and society (Rahim & Mohtar, 2015).

### *Entrepreneurial Orientation*

When considering the Entrepreneurial Orientation (EO) of individuals the question to be addressed is "What are the personal characteristics or attitudes a person possesses that might increase propensity to engage in and be successful at entrepreneurial activities?" (Levenburg and Schwarz, 2008). Lumpkin and Dess (2008) suggested that among the dimensions of EO are innovativeness, risk taking, proactiveness

### *Risk Taking*

Cantillon (1734), who was the first to formally use the term entrepreneurship, argued that the principal factor that separated entrepreneurs from hired employees was the uncertainty and riskiness of self-employment. Thus, the concept of risk taking is a quality that is frequently used to describe entrepreneurship. Risk has various meanings, depending on the context in which it is applied. In the context of strategy, Baird and Thomas (1985) identified three types of strategic risk: (a) "venturing into the unknown," (b) "committing a relatively large portion of assets," and (c) "borrowing heavily". The first of these definitions conveys a sense of uncertainty and may apply generally to some types of risk often discussed in the entrepreneurship literature, such as personal risk, social risk, or psychological risk (Gasse, 1982).

### *Proactiveness*

Economics scholars since Schumpeter have emphasized the importance of initiative in the entrepreneurial process. Proactiveness refers to how a person relates to opportunities. It does so by seizing initiative and acting opportunistically in order to shape the environment, that is, to influence trends and, perhaps, even create demand. Proactiveness involves taking the initiative in an effort to shape the environment to one's own advantage; responsiveness involves being adaptive to challenges (Lumpkin and Dess, 2008). An EO, therefore, involves both proactiveness in pursuing opportunities and the will to respond aggressively to challenges.

### *Innovativeness*

Schumpeter (1934, 1942) was among the first to emphasize the role of innovation in the entrepreneurial process. Schumpeter (1942) outlined an economic process of "creative destruction," by which wealth was created when existing market structures were disrupted by the introduction of new goods or services that shifted resources away from existing firms and caused new firms to grow. The key to this cycle of activity was entrepreneurship: the competitive entry of innovative "new combinations" that propelled the dynamic evolution of the economy (Schumpeter, 1934). Thus "innovativeness" became an important factor used to characterize entrepreneurship. Innovativeness reflects a person's tendency to engage in and support new ideas, novelty, experimentation, and creative.

## METHODOLOGY

Respondents for this study were the lecturers of Universiti Teknologi MARA in Shah Alam and Puncak Alam. 100 valid responses were collected using convenience sampling method. All of the instruments in this study were adopted from previous studies. The study used entrepreneurial orientation instrument by Bolton and Lane (2011). The instrument's dimensions are risk taking, innovativeness, and proactiveness. While for job performance, the instrument used was developed by Smeenk (2008) and Meyer and Allen (1997). The items include the "overall quality of performance", "the quality of research", "the quality of teaching", and "the

quality of management”. Questionnaire is made in a form of closed-ended questions. 7-point Likert scales ranging from strongly disagree to strongly agree was employed. Frequency, reliability, correlation and regression analysis were tested in this study.

## FINDINGS

### *Frequency Analysis*

The frequency analysis is shown at table 1.

Table 1: *Frequency Analysis*

Variable	Description	N / %
<b>Gender</b>	Male	44
	Female	56
	Total	100
<b>Age (years)</b>	18-29	5
	30-49	63
	50-64	29
	65 and above	3
	Total	100
<b>Race</b>	Malay	90
	Chinese	8
	Indian	2
	Total	100
<b>UiTM branch</b>	Shah Alam	52
	Puncak Alam	48
	Total	100
<b>Working period (years)</b>	1- 5	10
	6-10	51
	11-15	34
	16 and above	5
	Total	100

### *ReliabilityTest*

Table 2 describes the reliability of the constructs. The Cronbach's Alpha value ranges between 0.838 and 0.890, which is within the recommended value. (Hair et al.,1998).The result shows that the measures used in this research are reliable.

Table 2: Reliability of the constructs

No	Variables	Cronbach's Alpha	N
1	Entrepreneurial Orientation	.890	12
2	Job Performance	.838	4

### *Pearson Correlation*

Pearson correlation coefficient analysis has been conducted to determine the strength and direction of relationships of each construct. Table 3 indicates that there is a moderate positive relationship between entrepreneurial orientation and job performance (0.394).

Table 3: Pearson Correlation Coefficient Analysis

Variable	Entrepreneurial Orientation
<b>Job Performance</b>	0.394**

\*\* Correlation is significant at the 0.01 level (2-tailed)

### *Multiple Regression Analysis*

Further analysis was performed using multiple regression analysis. In table 4, the adjusted R square result is 0.146 which means that this model explained 14.6% of variance in job performance based on the independent variable (entrepreneurial orientation). The Durbin-Watson value (1.924) indicates independence of residual and there is no problem of serial correlation.

Table 4:Model Summary

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std Error</b>	<b>Durbin-Watson</b>
0.394	0.155	0.146	0.284255	1.924

DV-Job Performance; IV- Entrepreneurial Orientation

Next, the Table 5 shows that the model studied is deemed as statistically significant ( $p < 0.000$ ).

Table 5:ANOVA

<b>Model</b>	<b>Sum of squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	145.461	1	145.461	17.094	.000
Residual	793.539	98	8.097		
Total	939.000	99			

DV-Job Performance; IV-Entrepreneurial Orientation

Table 6 indicates that entrepreneurial orientation positively influence job performance ( $\beta = 0.394$ ,  $p < 0.00$ ).

Table 6:Coefficients

<b>Model</b>		<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
		<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
1	(Constant)	15.504	1.861		8.330	.000
	Entrepreneurial Orientation	.129	.030	.394	4.238	.000

DV-Job Performance

## DISCUSSION AND CONCLUSION

Many studies have proven the effect of entrepreneurial orientation towards the success of entrepreneurs and organizational performance. This study has taken a different perspective and empirically proven that entrepreneurial orientation of lecturers, positively affects their job performance. Hence, this study could lead to change of practice in academic institutions in seeking to improve their performance in terms of job performance among the lecturers. Thus, it is not surprising the most entrepreneurial university in Malaysia, Universiti Tekonologi MARA (Rahim, Chik, Bahari, Salleh & Bakri, 2015) has introduced a policy whereby entrepreneurship activity has been made compulsory for promotion requirement. By having higher entrepreneurial orientation, lecturers are more prone to risk taking, proactive and innovative in their teaching, consequently will lead towards a better job performance.

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