THE IMPACT OF ENTREPRENEURIAL PASSIONS ON ORGANIZATIONAL COMMITMENT IN SMEs: THE MEDIATING ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT

MD SHARIF BIN MD SAID

Dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Business Administration

Arshad Ayub Graduate Business School

April 2016
AUTHOR’S DECLARATION

I declare that the work of this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. This dissertation has not been submitted to any other academic institution or non-academic institution for any other degree qualification.

I hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Md Sharif Bin Md Said
Student Id Number : 2004282715
Faculty : Arshad Ayub Graduate Business School
Dissertation Title : The Impact Of Entrepreneurial Passions On Organizational Commitment In Smes: The Mediating Role Of Perceived Organizational Support
Signature of Student : ..................................................
Date : April 2016
ABSTRACT

This study examines a model involving Entrepreneurial Passion (EP), Perceived Organizational Support (POS), and Organizational Commitment (OC). It was hypothesized that employees’ EP will be positively related to their organizational commitment, and that perceived organizational support would serve as a mediator in the relationship between employees’ perceived EP and employees’ OC. Data were gathered using cluster sampling method from a sampling frame of 231 Malaysian Manufacturing Related Small and Medium Enterprises (SMEs) located within the Klang Valley comprising the States of Selangor and Federal Territory of Kuala Lumpur. Confirmatory Factor Analysis (CFA) was performed on the 258 samples using structural equation modeling. The CFA revealed that there is a positive and direct relationship between EP and OC as propounded by earlier authors. The CFA also demonstrated that POS has a direct, positive and significant relationship with OC as has been established by earlier researches. Upon introducing Perceived Organizational Support as a mediating variable it was found that POS completely mediates the relationship between EP and OC. EP was also found to be directly, positively and significantly related to POS. With these findings the theoretical and managerial implications of this study are suggested. Earlier studies on EP and the impact on OC were conducted in the Western setting in particular the United States but this study is conducted in “eastern” environment specifically in Malaysia.
ACKNOWLEDGEMENTS

In the Name of Allah, the Beneficent, the Merciful
First and foremost all Praises are due to Allah, for the strengths, guidance and blessings in completing this dissertation. Special appreciation goes to my supervisor, Associate Professor Dr. Saridan Abu Bakar, for his supervision, constant support and endless motivation. I would like to express my sincere appreciation to the Director of Arshad Ayub Graduate Business School (AAGBS), Associate Professor Dr. Jaafar Peyman and his predecessor for the confidence they had in me to finish this dissertation.

Sincere thanks to all my colleagues for their encouragement and support despite all the agonies that they themselves had to go through.
To my wife and family, I wish to put on record my utmost appreciation for their patient and love that provided me with the comfort and source of strengths to complete this mammoth task.

Finally, my acknowledgement to both my late parents, Haji Mohd Said and Hajah Gayah to whom I owed my life and whose prayers during their lifetime for my success and well-being have been answered by Allah s.w.t. and whose sacrifices I shall never be able to repay. To them May Allah grant them a special place in Jannah. Al-Fatiha.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONFIRMATION BY PANEL OF EXAMINERS</td>
<td>ii</td>
</tr>
<tr>
<td>AUTHOR'S DECLARATION</td>
<td>iii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>iv</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>v</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>vi</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>x</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xii</td>
</tr>
</tbody>
</table>

## CHAPTER ONE: INTRODUCTION

1.1 Background of study                                      | 1    |
1.2 Problem statement                                         | 6    |
1.3 Gap of study                                              | 9    |
1.4 Research objectives                                       | 10   |
1.5 Research questions                                        | 11   |
1.6 Significance of study                                     | 11   |
1.7 Scope and limitations of study                            | 13   |
1.8 Definition of terms                                       | 13   |
   1.8.1 Organizational commitment (OC)                        | 14   |
   1.8.2 Entrepreneurial passion (EP)                          | 14   |
   1.8.3 Perceived organizational support (POS)                | 14   |
   1.8.4 Small and medium enterprises (SMEs)                   | 15   |
1.9 Organization of dissertation                              | 16   |
1.10 Chapter summary                                          | 21   |

## CHAPTER TWO: LITERATURE REVIEW AND RESEARCH DESIGN

2.1 SMEs in general                                           | 23   |
2.2 The SMEs in Malaysia                                      | 26   |