

UNIVERSITI TEKNOLOGI MARA

**THE ROLE OF ENTREPRENEURIAL
ORIENTATION AND INNOVATION
ON EMPLOYEE JOB
PERFORMANCE IN MALAYSIAN
HOTELS**

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ABSTRACT

As a service industry hospitality industry is with human dexterity. This state of affairs makes hotels continually creating and innovating products or services as an essential strategy to maintain a competitive edge. Despite the effects that entrepreneurial orientation (EO) and innovation has on performance, research appears to be divided into understanding entrepreneurial orientation. The purpose of this study is to examine the effect of EO and innovation dimensions and the moderating effect of training on employee job performance. Data relating to EO, innovation, training, and employee job performance were collected from one hundred and twenty F&B managers and supervisors working in four and five-star rating hotels in Selangor, Wilayah Persekutuan Kuala Lumpur and Wilayah Persekutuan Putrajaya, Malaysia. Internal consistency, indicator reliability, convergent validity, and discriminant validity was utilised to assess the reflective measurement model. Path analysis with the structural model was employed to test the proposed hypotheses. The results indicated EO partially affect employee job performance, with the path coefficient value is 0.147. Innovation was found to have a significant effect on employee job performance with the $p= 0.344$ and t-value of 3.577. Entrepreneurial orientation and innovation have strong support in a significant relationship ($\beta: 0.557, t: 9.072, p<0.000$). It is noteworthy to highlight the moderating variable of training has a positive effect on the relationship between entrepreneurial orientation and employee job performance, $p= 0.107$ and t-value of 2.092. On the other hand, training has a negative effect on the relationship between innovation and employee job performance. Adding training as a moderating variable is new empirical evidence to the hospitality industry specifically in Malaysia. The findings would be able to assist hotel managers in improving the training programmes related to entrepreneurial orientation and reflect on the importance of innovation as an on-going event as compared to "a one-time process" that helps increase the employees' performance. EO which is at the infancy stage in Malaysia is seen to have a significant contribution in terms of proactiveness and autonomy given to subordinates. Hence, this study contributes to the body of knowledge by adding new guidelines or manual for employee in order to enhance their entrepreneurial orientation and innovation elements in their daily routine besides entrepreneurial training been given. This study also provide empirical evidence to the direct relationship between entrepreneurial orientation, innovation, and employee job performance.

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TABLE OF CONTENTS

CONFIRMATION BY PANEL OF EXAMINERS

AUTHOR'S DECLARATION

ABSTRACT

ACKNOWLEDGEMENT

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF SYMBOLS

LIST OF ABBREVIATIONS

CHAPTER ONE INTRODUCTION

- 1.1 Introduction
- 1.2 Background of The Study
- 1.3 Problem Statement
- 1.4 Purpose of The Study
- 1.5 Research Objectives
- 1.6 Research Questions
- 1.7 Significance of The Study
 - 1.7.1 Academic Perspective
 - 1.7.2 Practical Perspective
- 1.8 Definition of Terms
 - 1.8.1 Entrepreneurial Orientation
 - 1.8.2 Innovativeness
 - 1.8.3 Proactiveness
 - 1.8.4 Risk-taking
 - 1.8.5 Competitive Aggressiveness
 - 1.8.6 Autonomy
 - 1.8.7 Innovation
 - 1.8.8 Product Innovation

9	Process Innovation	15
8.10	Management Innovation	15
8.11	Market Innovation	16
8.12	Employee Job Performance	16
8.13	Task Performance	16
8.14	Interpersonal Performance	16
8.15	Counterproductive Work Behaviour	17
8.16	Work Engagement	17
8.17	Training	17
1.9	Structure of The thesis	17
1.10	Summary	18
CHAPTER TWO LITERATURE REVIEW		19
2.1	Introduction	19
2.2	Overview of Entrepreneurial Orientation (EO)	19
2.2.1	Conceptualization of Entrepreneurial Orientation	37
2.2.2	Entrepreneurial Orientation in Hospitality Industry	41
2.2.3	Dimensions of Entrepreneurial Orientation	45
2.3	Overview of Innovation	52
2.4	Innovation in The Hospitality Industry	53
2.4.1	Product Innovation	58
2.4.2	Process Innovation	59
2.4.3	Management Innovation	60
2.4.4	Market Innovation	61
2.5	Overview of Training	62
2.6	Hospitality Training	64
2.7	Employee Job Performance	70
2.7.1	Task Performance	72
2.7.2	Interpersonal Performance	72
2.7.3	Counterproductive Work Behaviour	73
2.7.4	Work Engagement	73
2.8	Employee Job Performance in Hospitality Industry	75
2.9	Entrepreneurial Orientation Model	79
2.10	Underlying Theory	83