

UNIVERSITI TEKNOLOGI MARA

THE PROACTIVENESS, RISK
TAKING AND INNOVATIVENESS
CHARACTERISTIC AFFECTING
ORGANIZATIONAL
PERFORMANCE : A STUDY OF
PERTUBUHAN PELADANG
KAWASAN MALAYSIA

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ABSTRACT

Pertubuhan Peladang Kawasan (PPK) is the organization under Lembaga pertubuhan Peladang Malaysia (LPP) that carries out economic and social activities by applying the cooperative principles. The establishment of PPK aimed to improve the social and economic standard, increase farmer's knowledge and skills, increase revenue and income and to improve the way of life of its members and to create a progressive, independent, prosperous and integrated farming community. Over thirty years of their establishment, PPK is unable to achieve their goal to be able to stand independently from government. The financial performance of PPK also not as decent as other companies nationwide. The purpose of this study is to understand the effect of corporate entrepreneurship characteristic towards firm's performance of Pertubuhan Peladang Kawasan (PPK) in Malaysia. This study was driven by three objectives; to determine the effect of the proactiveness of general managers of PPK towards company's performance, to determine the effect of risk taking of general managers of PPK towards company's performance and to determine the effect of the innovativeness of general managers of PPK towards company's performance. The population of the research consist of 244 branches of PPK across Malaysia. The study used primary data where gathered using questionnaires. Statistical Package for Social Sciences (SPSS) was used in the analysis of data. The data was analysed by use of descriptive and inferential statistics. Results from this study indicated that pro-activeness, risk taking and innovativeness were the key determinant of firm performance for PPK in Malaysia. The result revealed that, lack of pro-activeness, risk taking and innovativeness behaviour among general manager in PPK associated to the poor financial performance of PPK which represented by decrease in net profit of the firm. The study recommended that the PPK shall encourage corporate entrepreneurship elements i.e. proactiveness, risk taking and innovativeness in their firm since it's can create competitive advantage to PPK and increase profitability of the firm. The study is a justification of the fact that an organization with corporate entrepreneurship characteristic among the managers with deep understanding of the business are able to improve the firm's performance.