

# THE DOCTORAL RESEARCH

## ABSTRACTS

Volume: 2, Issue 2 Nov 2012



# SECOND ISSUE

INSTITUTE of GRADUATE STUDIES

*Leading You To Greater Heights, Degree by Degree*

IPSis Biannual Publication

**Name : Sofian Bin Shamsuddin**

**Title : The Effect of Corporate Entrepreneurship on the Perceived Financial Performance of Established Malaysian State Government-Linked Corporations**

**Faculty : Business Management**

**Supervisor : Prof. Dr. Ismail Ab. Wahab (MS)**

**Associate Prof. Dr. Zainab Ahmad (CS)**

Over recent years, much government efforts have been concentrated on enhancing innovation and entrepreneurship. This stems from the view that organizations profit from the influences of corporate entrepreneurship and innovation. Thus the choice of whether to grow corporate entrepreneurship and how it may result in variation in performance is an eminent issue. Paying special attention to this trend

provides the basis for this study. Using data from 92 out of 102 intrapreneur companies largely founded within the past fifteen years and across diverse industries such as construction, plantation, property, technology and trading/services, this study analyzes the effect of corporate entrepreneurship dimensions on the perceived financial performance of established Malaysian state government-linked corporations. In particular, the research attempts to: (1) determine the effect of corporate entrepreneurship (CE) dimensions on company performance, and (2) explore the moderating effects of resource availability, supportive organizational structure and rewards have on the relationship between CE dimensions and company performance. Survey questionnaires were used to collate the data and Structural Equation Modelling with AMOS version 19 were used to analyze the relationships. The findings of this research show that pro-activeness has a positive

and significant impact on financial performance of JCorp companies. Even with the indirect effect of moderating factors (resource availability, supportive organizational structure and rewards) all the hypotheses linked to proactiveness were supported. This means that resource availability, supportive organizational structure and rewards do moderate the relationship between proactiveness and financial performance. Secondly, risk-taking does not have a direct effect on financial performance of JCorp companies but the indirect effect of moderating factors influences the effect of risk-taking on financial performance. Resource availability, supportive organizational structure and rewards are shown to moderate the relationship between risk-

taking and financial performance. Interestingly, both innovation and self-renewal were shown to be negatively related to financial performance and although all the moderating factors were positively related to these CE dimensions, they are not significant enough to support the hypotheses. In other words, the moderating factors do not moderate the relationship between innovation or self-renewal and financial performance. This study helps address the relationship between CE dimensions, internal moderating factors and financial performance. The findings are considered useful for decision makers in organisations that intend to practice corporate entrepreneurship as well as for researchers and academics alike.