

E-PROCEEDING

OCSSS

Academic Conference on Social Sciences 2019

Jointly Organized by:



UNIVERSITI
TEKNOLOGI
MARA

Cawangan Kedah
Kampus Sungai Petani



UNIVERSITAS
MATARAM

Linking Determinants of Innovation Speed to Innovation Performance among Employees of Manufacturing Industry in Malaysia

Mohd Rizaimy Shaharudin¹, Siti Hajar Mohd Hussain², Azlin Azman³, Fauziah Mohamad Yunus⁴, Suhaibah Mokhtar⁵

Universiti Teknologi MARA, Kedah, Malaysia

¹rizaimy@uitm.edu.my

INTRODUCTION

Greater innovation is necessary for the industry to move up in the global value chain. Company performance is boosted by the firm's ability to increase innovation to meet the increasingly competitive level and the reduction of the product life cycle. Nevertheless, a local newspaper The Star Online on 21 October 2016 reported that despite the importance of innovation improvement in industrial production, however, the innovation in Malaysia is still sluggish due to lack of funding, limited support from the private sector in R&D and scarcity of the researchers. Also, the New Straits Times reported on 15 October 2018 that new businesses in the country are not innovating. The new companies only introduced about 16 per cent of new products in the last seven years.

PURPOSE/AIM & BACKGROUND

In this case, most Malaysian firms are considered too slow in innovation and merely adapting rather than creating technology. Hence, there is a need to conduct a study and explore potential factors that could influence the innovation speed, which can facilitate the new process and product innovation in the market. Thus, this study aims to determine the relationships between the determinants (creativity, self-leadership, innovativeness, autonomy, risk-taking, proactiveness) on innovation speed and its impact on the innovation performance among employees of manufacturing industry in Malaysia.

METHODOLOGY

Purposive sampling method has been used to select the suitable respondents of the study. Two hundred fifty questionnaires were distributed to production operators of the manufacturing industry in several industrial areas in the Northern States of Peninsular Malaysia. However, only one hundred twenty-three complete surveys were returned for

further analysis. Smart PLS Version 3.0 was used to analyse the primary data and test the hypotheses.

FINDINGS/RESULTS

The results showed that creativity, self-leadership, innovativeness, risk-taking and proactiveness have significantly influenced the innovation speed. Also, the innovation speed has significantly impacted the innovation performance, signifying the relative importance of innovation speed to increase the innovation performance among employees of the manufacturing industry in Malaysia. Nevertheless, the study found that autonomy has no significant effect on the innovation speed, verifying that the employees at the operator level are not involved with the decision making and merely taking instructions to complete their jobs. As a consequent, the employees become reactive to innovation as they have not been given enough power to create the working innovation culture as well as lacking the freedom to voice their opinions and make a specific decision at their workplace.

CONCLUSIONS/IMPLICATIONS

The contribution of the study is significant by providing evidence of the influence of the determinants on the innovation speed and its impact on innovation performance. In practical terms, it is essential for the manufacturing organisations to enhance the creativity, self-leadership, innovativeness, risk-taking, proactiveness as well as emphasises more on the belief and trust to employees to improve the innovation speed and innovation performance among employees of manufacturing industry in Malaysia. Future study should consider to explore the determinants of innovation speed from the diverse sector and also the effects at the different organisation levels.

Keywords: Innovation Speed, Performance, Manufacturing, Employees, Autonomy