A Linkage between Personal Characteristics and Entrepreneurial Behavior in the Malaysian Public Sector

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Abstract

Entrepreneurial behavior within an organization is deemed relevant as an instrument to foster organizational growth, develop a strategic vision and create an energetic work environment because of its valuable impact on the performance of service. Beneficial display of entrepreneurial behavior by organizational members contributes to the venture significant of an organization. Although multiple kinds of research suggest the importance of individual entrepreneurial behavior in organizations, an empirical study on its predictors, particularly within the public sector is still infancy. Thus, the paper aims to provide an integrated review of the role of personal characteristics (in the form of entrepreneurial leadership, self-efficacy, and career adaptability) on entrepreneurial behavior among Malaysian public sector’s managers, which could subsequently exhibit the performance of the excellent services.

Keywords: Personal Characteristic, Entrepreneurial Behavior, Public Sector.

1. Introduction

Human capital development is an important investment in shaping the improvements of organizational service performance, especially in the public sector. In this regard, the Eleventh Malaysia Plan (2016 - 2020) has emphasized “the requirement for accelerating human capital development for an advanced nation, particularly within established organizations” [Economic Planning Unit (EPU, 2015)]. Similarly, Tenth Malaysia Plan (2011-2015), also highlighted the importance of “nurturing, attracting, and retaining the best talents for Malaysia to become globally competitive and to achieve innovation-led economy” (EPU, 2015). Simplistically, the Malaysia’s government needs to improve the shortage of innovative human capital by enhancing innovativeness and encouraging entrepreneurial activities among its workforce in order to achieve knowledge-based economy and the status of a high-income nation (EPU, 2015). Correspondingly, in the recent studies by scholar (Jong, Parker, Wennerkers & Wu, 2015, Kuratko & Morris, 2018, & Hornsby, Kuratko, Holt, & Wales, 2013) demonstrated that employees’ potential to innovate must be maximized in order for organization to be more competitive and better service performance.

According to Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad, civil servant has an integral role in supporting the delivery process of the public sector. In a similar vein, Mustapa Mohamed (Member of Parliament for Jeli and Former International Trade and Industry Minister), further encourage civil servants to be either on a par or better than those in the private sector or civil society (New Strait Times, August 18, 2018). In placing more emphasis, he also specified that civil servant must equip themselves with the necessary skills that will enable them to fully utilize technology and big data to enhance their efficiency and productivity. This is in line with the current research by Khuzaimah and Tajuddin (2018) asserted that civil servants to commit to a fundamental mindset shift by challenging their underlying assumptions and mental models. This requires a transformation in the way the public sector responds to changes to serve the people. By and large, to be successful in their service performance, an organization, particularly the public sector has to be change-oriented, innovativeness, to be able to develop a strategic vision, and create an energetic work environment, all of which reflect entrepreneurial behavior. Therefore, given the government's aspiration to promote the economic growth of the country, this study focuses on entrepreneurial behavior within the public sector is timely. Hence, the establishment of entrepreneurial behavior is significant in public sector to enable public sector as competent as private sector to ensure high service performance. On top of that, the problems of civil service reform have been a major issue in many countries; specifically developing countries. Past research conducted by Fernando (2005) claimed that based on the report from most of developing countries, entrepreneurial behavior of public managers seems to have high potential to overcome inadequate service delivery of the public sector. Hence, the function of the manager in public sector is prominent to be changed especially when there is a pressure of scarcity of resources in the government. Specifically, the managers should transform in terms of innovativeness and pro-activeness to increase the higher performance of the public sector with the aim of respond to the complex people’s demands. Similarly, Salazar (1997) also indicated that public entrepreneurship signify as public sector organizations that utilize their assets regularly in
approaches to elevate both their efficiency and effectiveness and shaping improvement in public sector movement without necessarily being pushed from the outside.

Concisely, entrepreneurial behavior refers to the set of actions by an organization’s members to discover, evaluate and utilize the opportunities offered by entrepreneurial facets (Ireland, Hitt, & Sirmon, 2003; Kuratko, Hornsby & Hayton, 2015). These behaviors intend to accomplish all matters within the organization in entrepreneurial way. It normally associate with activities ranging from autonomous/independent to cooperative/integrative behavior (Mair, 2005). In this regard, the civil servant especially those at the managerial level need to engage in behavior that are proactive, change-oriented, visionary, all of which represent entrepreneurial behavior. This, in turn, will motivate them to provide excellent service performance in their daily tasks.

2. Literature Review

2.1. Entrepreneurial Behavior

Entrepreneurial behavior refers to the set of actions by an organization’s members to discover, evaluate and utilize the opportunities offered by entrepreneurial facets (Jong et al., 2015; Kuratko & Morris, 2018). Correspondently, Hornsby et al., (2013) postulated that strategic renewal, organizational growth and profitability, and organizational change and customer value-added services are the integral component of entrepreneurial behavior. According to Kuratko and Morris (2018), entrepreneurial behavior to some extent involves a plan of action to incorporate in a continuous process of entrepreneurial actions to attain a state in which the organization outperforms its rivals. Mair (2005), also advocated that entrepreneurial behavior associate with activities ranging from autonomous/independent to cooperative/integrative behavior that intend to accomplish all matters within the organization in entrepreneurial way. Other scholars have also identified three key dimensions which underlie entrepreneurial behavior: innovativeness, risk-taking, and pro-activeness (Hornsby et al., 2013; Kuratko et al., 2015). Past research had asserted the key factor in driving organizational success is the individual managers despite any position (Mair, 2005; Goodale, Kuratko, Hornsby & Covin, 2011).

This is professed by Kuratko et al., (2015), who argued that individual behavior that support, improve and shepherd entrepreneurial chances, is the example of entrepreneurial behavior of middle managers. Apart from that, to attain those opportunities, they recognize, obtain and utilize the resources needed. Future competitive success depends on core competencies which can be shape from entrepreneurial behavior. For this reason, middle managers (leaders) are accountable in developing those behaviors (Kuratko & Audretsch, 2013; Hornsby et al., 2013). In a large and established organizations, to attain competitive advantage and performance improvement, individual entrepreneurial behavior is perceive as a vital way to achieve it (Goodale et al. 2011; Jong et al., 2015; Kreiser et al., 2013; Kuratko & Morris, 2018). Ergo, it is important to practice entrepreneurial behavior among all middle-management levels as it able to enhance their competitive advantage and revamp better service quality.

2.2. Factors of Entrepreneurial Behavior

In essence, many factors influence managers’ entrepreneurial behavior including organizational characteristics, personal characteristics, job variables, and social elements. Generally, based on the review of the existing of literature, the factors of entrepreneurial behavior can be derived into three main dimensions: (1) organizational variables (Behrens & Patzelt, 2016; Hornsby et al., 2013); (2) individual variables (Sweida & Reichard 2013; Wakkee, Elfring, & Monaghan, 2008), (3) job variables (Dam et al., 2010; Hornsby et al. 2013). Emerging evidence by scholars (Kuratko & Audretsch, 2017; Neto, Rodrigues, Stewart, Xiao, & Snyder, 2018; Kirkley, 2016; Meijer, 2014) argued that an individual’s personal characteristic have been identified as the elements for cultivating in fostering entrepreneurial behavior within organizations. Intrinsically, this study will emphasis on how personal characteristic, in the form of entrepreneurial leadership, self-efficacy and career adaptability can stimulate the Malaysian public sector's managers to exhibit the behavior of entrepreneurial.

2.3. Entrepreneurial Leadership

Entrepreneurial leadership is defined as proficiency of overcoming diverse hierarchical and internal constraints (Yusuf & Jain, 2007). Specifically, an entrepreneurial leader has entrepreneurial mentality and attitude, like tolerance of ambiguity and internal locus of control. Moreover, according to Thornberry (2006), entrepreneurial leaders may act an active role; either as lead entrepreneurs themselves or be the catalysts that stimulate the entrepreneurial action and energies of others especially to their subordinates. Other than that, several scholars (Fernald, Solomon, & Tanabashi, 2005; Thornberry, 2006) specified that entrepreneurial leadership is similar to transformational leadership in terms of opportunity-focused. This is because entrepreneurial leadership can be interpreting as visionary leadership with inherent target on opportunities, which directly has positive effect towards organizational performance (Rahim, Kadir, Abidin, Junid, Kamaruddin, Lajin, & Bakri, 2015). In other words, transformational leadership is similar to entrepreneurial leadership because both of them correlated towards creativity. However, Schumpeter (1934, retrieved from Cogliser, 2004, p.774) suggested that entrepreneurship is an exclusive case of leadership, as he is the first who distinguished managers from entrepreneurs. Based on Schumpeter (1934), entrepreneurial leadership is another style of leadership. Hence, it is important to understand the various dimension of entrepreneurial leadership as previous study (McGrath & Macmillan, 2000) had discovered three different aspects, which are, directed discovery, creative integration and arena building. Firstly, directed discovery of entrepreneurial leadership refers as sketching a direction into the ambiguous future by performance orientation, ambition, intuition, and decisiveness. Next, creative integration of entrepreneurial leadership can be defined as a process to acquire the desired goals by organizing and deploy both human and non-human resources effectively. Meanwhile, arena building means the leader must give more attention on the recent invention evolution or probing new channel for their organization. Hence, by referring to above mentioned dimensions, it is clear that entrepreneurial leadership leads to entrepreneurial behavior as in spite of inspire their inferior to investigate and innovate in the workplace, entrepreneurial leaders are exemplar that motivate their inferior to imitate them by involving in entrepreneurial activities (Meijer, 2014). Thus, it is postulated that similar results will be applicable to for Malaysia based on the above discussions and previous findings elaborated earlier. In other words, the managers specifically in public sector will involve in greater entrepreneurial behavior if they possess high entrepreneurial leadership. The foregoing discussion prompts the following propositions:

Proposition 1: Entrepreneurial leadership will be positively related to manager’s entrepreneurial behavior

2.4. Self-Efficacy

By referring to Bandura (1997), self-efficacy influences human functioning, which in turn influences successful task completion. Stajkovic and Luthans (1998) further explain self-efficacy as an individual's beliefs (confidence) about his or her abilities to marshal the required cognitive resources, motivation, and courses of actions in order to carry out a particular task within circumstances. Particularly, self-efficacy is a state of self-
disciplined in which individuals develop self-regulation behavior that is aimed at bettering their performances. Previous study by scholars (Sebora & Weixing, 2006) argued that individual with sufficient self-efficacy will arouse maximum effort in every province to ensure successful result, and vice versa. According to Bandura (1977, 1986), self-efficacy is the most effective predictor of performance. Wakkee et al., (2008) in their research on employees and managers in the services sector of the United States discovered that “self-efficacy has a positive effect on managers’ entrepreneurial behavior” (p.88). This is due to employees with greater self-efficacy employs more effort in their career challenges in progress to achieve excellent performance. Furthermore, Kirkley (2016) in his recent research revealed that self-efficacy grants substance to the individual’s behavioral expression as an entrepreneur and displayed through their confidence when they approach entrepreneurial activity. Past study by Aklin, Dmowski and Hisrich (2014) also argued that employee with high entrepreneurial self-efficacy will have higher tendency to interconnect obstacles with rewards like profit, psychological fulfillment and community recognition. Moreover, scholars (Neto et al., 2018; Piccolo & Colquitt, 2006) in their recent study contended that it is essential to analyze the function of self-efficacy in the prediction of managers’ entrepreneurial behavior. Hence, the following proposition is offered:

Proposition 2: Self-efficacy will be positively related to branch manager’s entrepreneurial behavior.

2.5. Career Adaptability

Career adaptability is a set of “attitude, competencies and behaviors used by individuals to adjust themselves to the work that suits them” (Savickas, 1997, p.45). In other words, career adaptability mould by the roles of an individual’s life and the importance of their organizational contingencies. Moreover, recent studies by Rudolph, Lavigne, and Zacher (2017) revealed that the manner of adapting responses or vocational behaviors could be shaped by career adaptability since human capital can be developed because of acquired knowledge and valuable experiences.

According to Ginevra, Pallini, Vecchio, Nota, and Soresi (2016), there are four elements of career adaptability, which the individuals need to establish in themselves. The first dimension is career concern, where the individuals feel optimistic in dealing with problems, and adapting to the future. Meanwhile, the second and third dimensions are regarding control over their lives and curiosity about occupational careers respectively. Career control involves the development of self-regulation and self-direction through career decision making and, at the same time career curiosity is the inquisitive attitude that leads to effective career exploration. The fourth dimension of career adaptability is career confidence that require problem-solving ability and self-efficacy beliefs to face any upcoming obstacles. Above all, the entire components of career adaptability were used to navigate unfamiliar and complex environments. Consequently, the elements of career adaptability are significant in nurturing the entrepreneurial behavior among the managers in the public sector (Ginevra et al., 2016). Empirical evidence obtained from previous studies by Tolentino (2014), who posited that career adaptability has been positively related to risk taking and adventure. This is also supported by Savickas (1997), that individuals may vary in their readiness to face and manage change because differences in individual adaptation are influenced by the contextual factors. Thus, the four dimensions of career adaptability: confidence, curiosity, control, and concern are to confront the future or change the foundation of risk taking in entrepreneurial behavior. As a result, career adaptability meets the modern prospect careers in supporting individuals with directing self-in-relation to evolving environments, particularly within the managers in public sector.

Therefore, managers who obtain higher career adaptability will have more tendencies to engage in greater entrepreneurial behaviour. Hence, we posit the following:

Proposition 3: Career adaptability will be positively related to manager’s entrepreneurial behaviour.

3. Method

This paper is established depended on the extant literature (Kuratko & Morriss, 2018; Neto et al., 2018; Spiele & Reichard 2013), specifically in the scope of entrepreneurial behavior. As a means of extending the body of knowledge, the effect of personal characteristic (in the form of entrepreneurial leadership, self-efficacy, and career adaptability) to manager’s entrepreneurial behavior within the public sector also been examined.

4. Conceptual Framework

In the recommended model, the inclusion of personality traits as possible predictors of entrepreneurial behavior is consistent with Bandura’s (1986) Social Cognitive Theory. Personal characteristic represents personal-related variables (i.e. self-efficacy) that would assist human improvement for individuals to engage in excellent entrepreneurial activities within their organization. Based on the above-mentioned review of the literature and related theory, an integrated framework is suggested as shown in Fig. 1. In this model, personal characteristics (in the form of entrepreneurial leadership, self-efficacy, and career adaptability) are explored as potential predictors of managers’ entrepreneurial behavior, particularly within the public sector.

5. Result and Discussion

Global rivalry, greater customer demands for excellent services and changing regulations have cause lots of obstacles for well-established organizations, particularly those that are service-oriented. Based on the compatibility principles, this recent article highlighted the significant relations between personal characteristics (in the form of entrepreneurial leadership, self-efficacy, and career adaptability) and managers’ entrepreneurial behaviour, particularly in the public sectors. In the provision of superior service performance, an organization needs to ensure that, their organizational members, especially managerial employees engage in a greater entrepreneurial behaviour. In the act of role models, the entrepreneurial behaviour of the manager will influence their subordinates to follow their functional behaviours, which eventually will result a prominent performance and high service quality (Kuratko et al., 2015; Kuratko & Audretsch, 2013; Goodale et al. 2011; Wakkee et al. 2008). In fact, establishing entrepreneurial behaviour requirements for managerial employees (e.g. thinking, behaving and working in
entrepreneurial circumstances) could be highly encouraged in an organization.

Managers of the public sector with higher level of entrepreneurial leadership have more tendencies to behave entrepreneurially, especially by taking opportunities for improvements and giving maximum efforts to develop their organizations (Kuratko & Morris, 2018). In the same way, previous scholar (Ahlin et al., 2014; Ballout, 2009) argued that employees with sufficient self-efficacy will aim for greater career goals, make use of higher effort and grasp career obstacles that impact the accomplishment of those goals and attainment. On top of that, Rudolph et al., (2017) in their recent study advocated that the manner of adapting responses or vocational behaviours could be shaped by career adaptability since human capital can be developed as a result of accrued knowledge and valuable experiences.

Arguably, the results of this study could benefit and enlighten the policy makers in creating and executing the policy particularly for the public sector to set a benchmark in order to allow them to enhance their potential in value creation. In view of the fact that policy makers in creating and executing the policy particularly for the public sector to set a benchmark in order to allow them to enhance their potential in value creation. In view of the fact that market complexity and global competition are rising, it is hoped that this inquiry will abet the public sector in Malaysia to establish entrepreneurial leadership. Southern business review, 30(2): 1-10.

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