



International Journal of Economic Research

ISSN : 0972-9380

available at <http://www.serialsjournals.com>

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Volume 14 • Number 16 (Part 2) • 2017

Linking Intrapreneurial Risk-Taking to Academic Leaders' Performance

Muhammad Shukri Bakar¹, Azahari Ramli², Rosli Mohd Saad³, Donny Abdul Latief Poespowidjojo⁴ and Najafi Auwalu Ibrahim⁵

¹⁻⁴ School of Business Management, Universiti Utara Malaysia, Malaysia. Email: ¹shukribakar@uum.edu.my

⁵ Department of Business Administration and Entrepreneurship, Bayero University, Kano, Nigeria

ABSTRACT

Although significant relationships have been recorded between the variables of individual-level risk-taking propensity and performance in many sectors, the effect of this relationship remains less studied particularly as it relates to the individual performance of academic leaders operating in public universities. Hence, this study is aimed to determine the significant effect of intrapreneurial risk-taking on its relationship to academic leaders' performance in Malaysian public universities. A quantitative research design based on the questionnaire survey was used to collect data. A total of 246 usable responses were received from middle-level academic leaders of twenty public universities throughout the country. They mostly comprised of faculty deans, academic heads of department, directors of academic centre of excellence, and programme chairpersons. The findings revealed a significant and positive relationship between intrapreneurial risk-taking behaviour and performance.

Keywords: Intrapreneurial risk-taking, Performance, Middle-level Academic Leaders, Public Universities.

1. INTRODUCTION

The emergence of knowledge economy and new movement in the society has challenged the traditional ways of managing the public universities (Bakar & Mahmood, 2014). Growing public demands for greater contributions to wider society, accountability and transparency, while factors such as raising operation costs as well as recent decreasing sources of funding are putting great pressure on Malaysian public universities. In the same breath public universities are expected to remain competitive, vibrant as well as being able to maintain their sustainable growth and reputation (Mahmood, 2013). Amidst this changing landscape, public

universities and academic leaders that run them are constantly reminded to be more entrepreneurial, adaptable, diverse and capable to meet challenges innovatively (Nayyar & Mahmood, 2014; Meek, Goedegebuure, Santiago & Carvalho, 2010). Many researchers have also argued that embracing entrepreneurial thinking and orientation by leveraging on academic leaders' individual risk-taking, innovativeness and proactiveness can bolster public universities' overall performances (Bakar & Mahmood, 2013; Nik Ismail, Mahmood & Ab Rahim, 2012).

Literature Review and Hypothesis Development

In any organization, leaders perform a central role because they set visions and policies, direct and coordinate as well as monitor followers' performances in their constituencies (Yukl, 2010). At the same time, research has consistently found that leaders' own attitude, orientation and behaviour while performing their roles, also reflect their own effectiveness and performances (Judge & Piccolo, 2004) which ultimately influence the performance of their organizations (Northouse, 2012; Bass & Bass, 2008). Similar observations have been found to be true in higher educational setting. According to Wolverton and Gmelch (2002), academic leaders while playing their leadership roles such as being coaches, mentors and role models in addition to being active decision makers and problem solvers, impact universities' performance through their capability to influence the overall performances of others within the departments they lead.

Reviewing through the literature, it becomes apparent that there is a lack of consensus and consistency on the definition of the term academic leadership. Taylor (1999) for example broadly defines academic leader as anyone who holds an academic appointment because all academics are naturally assumed to be leaders in their own specific field and research area. Wisdom (2007); Gmelch and Miskin (1993) and Leaming (1998) define academic leadership as a collection of tasks or duties performed by individuals appointed to a formal position of responsibility within a university. In this respect, rather than top-level leaders, many argue that most of universities' core activities are significantly occupied by their middle-level leaders as they are the ones who directly manage and control various academic centres, faculties, departments and units found within their respective universities (Wisdom, 2007; Carroll & Wolverton, 2004; Wolverton & Gmelch, 2002; Gmelch & Miskin, 1993).

Generally, the middle-level leaders in universities are occupied by academic staff in the positions of deans, chairpersons, heads of departments, and directors of various academic faculties, schools, programmes, centres or academies (Smith, 2007; Wisdom, 2007). They are mostly faculty members assigned to leadership and management roles carrying both administrative as well as traditional works of academics such as teaching, research and publications or other scholarship duties related to their discipline (Koen & Bitzer, 2010; Gappa, Austin & Trice, 2007; Harman, 2002). In their observations, Ostendorf et. al., (2005) suggest that academic leaders' performance basically falls into three areas namely research, teaching, and administrative duties. Accordingly, Fox, Burns and Adams (2005) propose a profile of five specific competencies or skills needed for them to successfully perform their roles and responsibilities namely; managerial, interpersonal, communication, academic, and political factors.

Meanwhile in intrapreneurship literature, considerable attention has been given to the relationship between intrapreneurial orientation and performance. The increasing interest in intrapreneurship or corporate entrepreneurship is mainly due to the fact that impressive contributions of organizational and individual performances recorded by recent studies were stemmed from intrapreneurship, which is the act of behaving

like an entrepreneur while working within the boundaries of existing organizations (Stewart, 2009; Antoncic & Hisrich, 2004). Intrapreneurship is also a process of creating value where intrapreneurs exploit entrepreneurial behaviour to recognise, discover, and create opportunities not only for their own development and but more so for the greater benefit of their organizations (Antoncic & Hisrich, 2004; Kuratko, 2009). Along this line, many researchers have authenticated that being entrepreneurially orientated can bolster performance of intrapreneurs in organization which ultimately may result in enhanced organization's overall performance (Antoncic & Hisrich, 2004; Kuratko, 2009; Kreiser & Davis, 2010, Bakar & Mahmood, 2013; 2014). While traditionally scholars would argue that risk-taking, entrepreneurial thinking and action are exclusively a private-sector concern, many recent studies have demonstrated that entrepreneurship in the public sector setting is alive and prospering (Kim, 2010, Bakar & Mahmood, 2014).

Intrapreneurial orientation refers to employees' predisposition to accept and exhibit entrepreneurial practices and actions as characterised by their preferences for innovativeness, proactiveness, and risk-taking (Stewart, 2009; Stull, 2005). Innovativeness refers to a tendency to engage in new ideas and novelty, while proactiveness refers to a posture of anticipating on future needs to exploit opportunities, and risk-taking refers to a tendency to venture into uncertain outcomes (Wiklund & Shepherd, 2003). According to Covin and Slevin (1991) and Wiklund and Shepherd (2003), risk-taking involves taking bold actions by venturing into unknown position while pursuing opportunities or having the tendency to move to an unpredictable situation while committing large resources albeit less knowledge about this new situation.

Pinchot (1985) suggests that intrapreneurial functions largely involve risk-taking, dealing with non-predictable factors, experimenting with new ideas, and proactively looking for innovative solutions. Antoncic and Hisrich (2004) and Deamer and Earle (2004) argue that operating in a dynamic and uncertain environment makes risk-taking an integral element within intrapreneurship process. According to Hornsby et. al., (2009), Kuratko (2009) and Dess, Lumpkin & Covin (1997), due to interrelatedness in intrapreneurial orientation dimensions, risk-taking is considered as an inherent characteristic of innovativeness and proactiveness dimensions because being innovative and proactive constitute venturing into new situation, thus entailing elements associated to risks, failures, and uncertainties.

Douglas and Shepherd's study (2002) found a positive relationship between risk-taking and entrepreneurship while other studies have shown that willingness to take risk led to higher performance. A study by Gibb and Haar (2010) in New Zealand for instance has found that risk-taking resulted in higher financial performance. Meanwhile, a meta-analysis by Rauch et. al., (2004) and a research by Wang and Yen (2012) on Taiwanese firms operating in China indicated positive relationships between risk-taking behaviour and performance. In addition, recent study by Ambad & Ab Wahab (2013) in Malaysia also revealed significant and positive relationship between risk-taking and performance.

Based on the above discussions, it is posited that:

H1: Intrapreneurial risk-taking has a significant effect on the performance of academic leaders in public universities.



Figure 1: Conceptual framework

2. METHODOLOGY

Data were collected from mail survey of academic leaders from 20 public universities in Malaysia. Questionnaires were mail to randomly selected 1000 academic leaders and 246 were received after a couple of follow-ups, giving an effective rate of 24.6 percent. It has been emphasized in the cover letter that there were no right or wrong answers, and that the responses would remain strictly confidential, and thus the social-desirability bias in this method was minimised. Non-response bias meanwhile was minimised when the convention of comparing the respondents of the second wave (131 responses) with those of early wave (115 responses) was followed (Armstrong & Everton, 1977). The T-test performed on the mean responses of the constructs for these two groups yielded no statistical differences, suggesting that no response bias exists in this study.

The variable of risk-taking was measured using questionnaires adopted from the intrapreneurial orientation scale as suggested by Stull (2005) and Bulut (2008). It consists of five items and respondents were asked to indicate their risk-taking behaviour based on a five point scale ranging from 1 (strongly disagree) to 5 (strongly agree). For performance measurement, a thirty-eight item questionnaires adapted from Fox et. al., (2005) was utilized. The measures incorporated the managerial, interpersonal, communication, academic, and political competency-factors compressed into a single construct, and responses were made on a five-point scale ranged from 1 (strongly disagree) to 5 (strongly agree). All of the measures were examined to gauge reliability and validity in which they recorded relatively high degree of scores on both terms. After undergoing factor analysis, Cronbach's alpha of 0.812 (5 items) and 0.907 (remaining 29 items) were recorded for risk-taking and performance respectively, hence exceeding the recommended minimum level of 0.7 for internal consistency reliability (Nunnally, 1978). The construct variables were also validated through factor analysis. Using factor loading greater than 0.4, both variables recorded significant results on Bartlett's Test of Sphericity at $p < 0.001$ while tests of the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) revealed 0.835 and 0.882 for risk-taking and performance respectively (Hair et. al., 2010). A total of nine items were eliminated from performance competency measure due to lower than 0.4 factor loading scores. Overall, the results support the factorability of the data.

Hypothesis Testing

Based on the linear regression analysis, the result revealed a statistically positive and significant relationship between risk-taking and performance as illustrated by Table 1 below. Hence, our hypothesis on significant effect of intrapreneurial risk-taking on the performance of academic leaders in Malaysian public universities was supported. It as well showed that as risk-taking behaviour increases, leaders' performance also directly increases. The result also showed that risk-taking variable explained 6.2 percent of the variability in performance.

Table 1
Regression analysis for intrapreneurial risk-taking and performance

	<i>Std Error</i>	<i>Beta</i>	<i>t-value</i>	<i>Sig.</i>
(constant)	.110		33.983	.000
Risk-taking	.006	.258	4.163	.000*

R square = .066, Adjusted R square = .062 * Sig $p < 0.001$

3. DISCUSSIONS AND CONCLUSION

The key objective of the study was to examine the effect of risk-taking on performance of academic leaders in public higher education institutions in Malaysia. The findings revealed that risk-taking has a significant positive effect to performance, and this meant that a higher level of risk-taking would result in a higher level of performance of academic leaders in the Malaysian public universities. The findings also concurred with previous studies examining on the linkage between risk-taking and performance relationship (Ambad & Ab Wahab, 2013; Wang & Yen, 2012; Gibb & Haar, 2010; Rauch et. al., 2004) and supported the view that individual-level risk-taking behaviour is an integral part of intrapreneurship which often resulted in enhanced performance (Pinchot, 1985; Antoncic & Hisrich, 2004; Kuratko, 2009).

The findings therefore suggested that Malaysian academic leaders who exhibited higher level of risk-taking behaviour, courageous and being bold enough to accept failure or mistakes while experimenting with new ideas in the hope of achieving workable and better solutions were likely to result positively on their own performance enhancement. The findings therefore defied the notion that most public sector employees and managers are to some extent risk-avoiders (Bozeman & Kingsley, 1998). Arguably, being risk averse make them less creative and innovative in trying or experimenting with new approaches as they perform their duties. Adding to this factor, public sector bureaucracy and the prevalent culture of collegial management are time consuming hence slowing down decision-making processes in many public universities (Kwiek, 2008). Obviously, this study's findings suggested that by some means middle-level academic leaders in Malaysian public universities were not affected or most probably not practicing collegiality typified by its elaborate and consensus seeking decision and the findings also implied that academic leaders also managed to leverage the positive aspects of bureaucracy.

Hence, from this findings, academics leaders in Malaysian public universities unlike other middle-level leader-administrators in other public organizations, showed certain degree of willingness to take personal risk while at work which resulted in enhanced performance. Most undoubtedly they were more inclined in attempting new ideas, experimenting while tolerating mistakes and accommodating some degree of failure, and being brave enough in trying different ways of doing things. So long as intrapreneurial risk-taking is manageable, albeit slightly uncustomary, this attribute and behaviour should be encouraged to prosper in public universities in order for these middle-level academic leaders to excel as they perform their duties in the current challenging and uncertain environments (Antoncic & Hisrich, 2004; and Deamer & Earle, 2004; Mahmood, 2013).

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