

# EFFECTIVENESS OF ENTREPRENEURIAL LEADERSHIP STYLES IN IMPROVING SMIs MANUFACTURING BUMIPUTERA TECHNOPRENEURS PERFORMANCE IN MELAKA

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## ABSTRACT

*Understanding effectiveness entrepreneurial leadership styles were important for theoretical and practical reasons because Bumiputera technopreneurial leaders were the individual that need to lead small and medium industries (SMIs) in today's innovative and dynamic market in Melaka. The objective of this study was to examine the effectiveness of entrepreneurial leadership styles in improving SMIs manufacturing bumiputera technopreneurs performance in Melaka. The research had identified the certain personality traits, behaviors, competencies technopreneurial leaders. There were positive and significant relationship between entrepreneurial leadership styles namely transformational leadership style, transactional leadership style and charismatic style with entrepreneurial leaders' personality traits, entrepreneurial leaders' behaviours, entrepreneurial leaders' competencies, entrepreneurial leaders' monitoring companies' operation and entrepreneurial leaders' monitoring companies' performance. The analysis shown that Bumiputera technopreneurial leaders and entrepreneurial leaders' monitoring operation and performance among the Bumiputera can use it's to evaluate SMIs success and ventures success. Also practitioners of high-risk lending may be interested in methods of assessing entrepreneurial leadership that can be introduced into their risk calculus and potentially improve the likelihood of higher returns of their venture in investments. Thus, charismatic leadership style was found most highly related to entrepreneurial leaders' personality traits, entrepreneurial leaders' behaviours, entrepreneurial leaders' competencies, entrepreneurial leaders' monitoring companies' operation and entrepreneurial leaders' monitoring companies' performance followed by transactional leadership style and transformational leadership style. The conclusion, the research had provide insights for team building in executives' teams of SMIs, for example providing guidance in finding team members that can make unique contributions via their personality traits, behaviors, competencies and ways to monitor SMIs operation and performance. Suggestions of the research can be used as a guide to present and future SMIs technopreneurs regarding entrepreneurial leadership style that have to be practiced to become successful Bumiputera technopreneurial leader in Melaka.*

*Keywords : Effectiveness, entrepreneurial leadership styles, Improving, SMI Manufacturing Bumiputera Technopreneurs, Performance, Melaka*

## INTRODUCTION

In climate of change, leadership is viewed as the key to organisational success. Leadership is currently one of the most talked about issues in business and organisation. It is hard to turn on the television, open a newspaper or attend a seminar without coming across numerous references to leaders, leadership and leading. The topic of leadership has been of interest for many hundreds of years from the early Greek philosophers such as Plato and Socrates to the plethora of management and leadership gurus, whose books fill airport bookshops. However, the need for effective leadership been voiced more strongly than now. It is argued that in this changing, global environment, leadership holds the answer not only to the success of individuals and organisations, but also to sectors, regions and nations.

Although the core qualities of leaders may remain constant, the manner and mix in which they are exhibited needs to become more fluid and matched to the context. The leader needs to become increasingly adaptable – making sense of uncertainty and managing complexity. The quality of openness, empathy, integrity and self-awareness are coming to the fore and demand a more participative leadership style, whereby the leader not only involves colleagues, but listens, is responsive to feedback and delegate responsibility. The leader will increasingly need to “win the right to lead”, “lead from the front”, “lead by example” and be prepared to “share in hardship”. Developing a culture of leadership in which people can excel is being seen as increasingly important, as the need to create and communicate a shared long-term vision. Malaysia Fourth Prime Minister, Tun Dr. Mahathir Mohamad had expressed government dissatisfaction regarding 19% achievement out of that 30% percent target (New Straits Times, 28 December 1989). From previous research, 39% bumiputera entrepreneurs have been declared bankrupt since the introduction of New Economic Policy (NEP) in 1971 (New Straits Times, 18 December 1986). Furthermore, the Third Bumiputera Economic Congress (1990) stated that the majority of Small and Medium Industries (SMIs) entrepreneurs in Malaysia comprise Chinese entrepreneurs. The report also stated that ratio of total bumiputera entrepreneur household are at 1:20 compared to 1:5 for Chinese.

Chan Kwok Bun & Claire Chiang See Ngoh (1994) concludes that many factors like leadership qualities, discipline, motivation and willingness to work and hard working made Chinese entrepreneurs more successful compared to other indigenous people in South East Asia continent. Tun Dr. Mahathir bin Mohamad dissatisfaction also shared by present Prime Minister, Dato Seri Abdullah bin Ahmad Badawi during Umno Convention in Kuala Lumpur (The Star, 15 Julai 2005). Malay leaders have been asked by Parti Gerakan's President, Dato' Seri Lim Keng Yaik as to how and why bumiputera fails to achieve the 30% target. He said, how is it that we achieved 18% of the target in the first 15 years and, after 35 years, we have gone back-wards. He also suggested that government teach Malay entrepreneurs ways to create and multiply wealth (The Star, 25 July 2005).

Masyarakat Perniagaan dan Perdagangan Bumiputera (Bumiputera Commercial and Industrial Entrepreneurs Societies) was established with the purpose of improving Bumiputera economy in Malaysia. Government is trying to train and develop Masyarakat Perdagangan dan Perindustrian Bumiputera in many sectors like industrialisation, small businesses, service providers, contractors, exporters, importers and other types of businesses. Overall results for the government efforts are not so fruitful. In Melaka, data shows that until August 2003, the total of 626,561 local companies have registered with Melaka Malaysia Securities Commission. Only 12,979 companies or 2.07% were

owned by Melaka bumiputera entrepreneurs and six companies were belongs to foreign companies that registered in Melaka (Melaka Securities Commission Report, 2003).

The research questions of this study were what are the types of entrepreneurial leaders' personality trait and behavior among bumiputera technopreneurs in Melaka? Also, what were the competencies of entrepreneurial leaders' among bumiputera technopreneurs in Melaka and how the entrepreneurial leaders monitor the organisational operations and performance? Finally, how to develop an effective entrepreneurial leadership style for producing more successful bumiputera technopreneurs in Melaka? The general objective of this research paper is to understand the development of entrepreneurial leadership style among bumiputera technopreneurs in Melaka. The more specific objectives are to identify the personality traits of entrepreneurial leaders among bumiputera technopreneurs in Melaka and to identify the behaviours of entrepreneurial leaders among bumiputera technopreneurs in Melaka. Also, to identify the entrepreneurial leaders' competencies among bumiputera technopreneurs in Melaka, to identify the entrepreneurial leaders' monitoring operations and performance, and to develop effective entrepreneurial leadership style among bumiputera technopreneurs in Melaka.

## LITERATURE REVIEW

### Definition of Leadership

Leadership is exercised when persons, mobilize institutional, political, psychological, and other resources so as to arouse, engage, and satisfy the motives of followers. (Burns, 1978). An important aspect of leadership is influencing others to come together around a common vision. Thus leadership is the process of influencing the activities of an organised group toward goal achievement (Rauch & Behling, 1984). However, leadership is reciprocal. In most organisations, superiors influence subordinates, but subordinates also influences superiors. The people involved in the relationship want substantive changes – leadership involves creating change, not maintaining status-quo. In addition, the changes sought are not dictated by leaders but reflect purposes that leaders and followers share. Moreover, change is toward an outcome that leader and followers both want, a desired future or shared purpose that motivates them toward this more preferable outcome. Leadership also are the ability to step out side the culture, and to start evolutionary change processes that are more adaptive (Schein, 1992).

Leadership is a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose (Jacob & Jacques, 1990). Also, leadership is a people activity and a distinct from administrative paperwork or planning activities. Leadership occurs among people: it is not something done to people. Since leadership involves people, there must be followers. Followers are an important part of the leadership process, and leaders are sometimes followers. Good leaders know how to to follow, and they set an example for others. The issue of intention or will means that people – leader and followers – are actively involved in the pursuit of change toward a desired future. Each person takes personal responsibility to achieved the desired future. "Leadership is the process of making sense of what people are doing together so that people will understand and be committed (Drath & Palus, 1994).

One stereotype is that leaders are somehow different, that they are above others; however, in reality, the qualities needed for effective leadership are the same as those

needed to be an effective follower. Effective followers think for themselves and carry out assignments with energy and enthusiasm. They are committed to something outside their own self-interest, and they have the courage to stand up for what they believe. Good followers are not “yes people” who blindly follow a leader. Effective leaders and effective followers may sometimes be the same people, playing different roles at different times. At its best, leadership is shared among leaders and followers, with everyone fully engaged and accepting higher level of responsibility. Leadership is “the ability of an individual to influence, motivate, and enable others to contribute towards the effectiveness and success of the organisations” (House et.al, 2004).

### **Entrepreneurial Leadership**

Organizations are undergoing a metamorphosis. Technologies, products and economies are constantly changing. Whether one speaks of downsizing, rightsizing or a transformation, no one can deny that profound changes are occurring worldwide (Schein, 1993). The organisational strategies and structures that might have been effective in stable and moderate velocity markets will constrain the long-run wealth creation and survival of organisations in high velocity conditions. The pace and nature of change in today’s dynamic market requires new types of organisations and a new type of leadership

In the new globalisation era, organizations regardless of size and industry are now competing in what Bettis and Hitt (1995) termed the new “competitive landscape”. This landscape is characterised by increasing risk, decreasing ability to forecast, fluid firm and industry boundaries, and a managerial mind-set that demands unlearning many traditional management practices. In addition, the new competitive landscape requires fresh organisational and even ‘disorganisational’ forms that allow entrepreneurs, leaders and managers to sense, respond to and even create change. This view suggests that innovation and change (which are characteristic of today markets) drive successive waves of entrepreneurial opportunities. Therefore, for today’s leaders, entrepreneurs and managers to survive, they must reinvent their growth strategies to survive in, let alone dominate, their markets. Moreover, these opportunities for capitalising on change are not confined to the classically defined “entrepreneurial’ firm. Entrepreneurial strategy goes beyond the founders, leaders and managers of new ventures. Increasingly, leaders and managers within established firms are seeing themselves as entrepreneurs – not just by choice but also by necessity.

The function of leadership and entrepreneurship and the role of the leader and entrepreneur is a constant point of debate among scholars, researchers and practitioners. Issues abound regarding whether leaders and entrepreneurs are “born” or “made”. The early literature on leadership and entrepreneurship focused on trait theory and the role of individual. Recent studies have examined the behaviours of entrepreneur leader who lends his/her vision, leadership style and strategy to the very essence or the core of the business. The concept of “entrepreneurial leadership” is raising the intellectual debate to a new plane (Bettis and Hitt, 1995). McGrath and MacMillan (2000) propose that a new type of business leader must emerge ready to lead that face increased competitiveness and uncertainty in these dynamic markets. They defined these new types of business leaders as “entrepreneurial leaders”. The entrepreneurial leader handles sudden change. He/she understands that the conditions of a dynamic market require them to move beyond incremental improvements to entrepreneurial change.

**Technopreneurs**

Technopreneurs are defined as entrepreneurs who involved in “advanced electronics, equipments/instrumentation, biotechnology, automation and flexible manufacturing system, electro-optics and non-linear optics, advanced materials, software engineering, food production and food processing, aerospace, optoelectronics and alternative energy sources.” They are clustered such by the Committee of Bumiputra Technopreneurs (1997), Ministry of Entrepreneur Development and in the Second Industrial Master Plan (IMP2) (1996-2005). Oakey (2003) states that technical entrepreneur or technopreneur is a person who start and develop a technical based business venture that produce technological product or services. Cardullo (1999) views technical entrepreneur as a person directly involved in the establishing and development of a technology related business producing technological goods or provide technology services.

**Theoretical Framework**

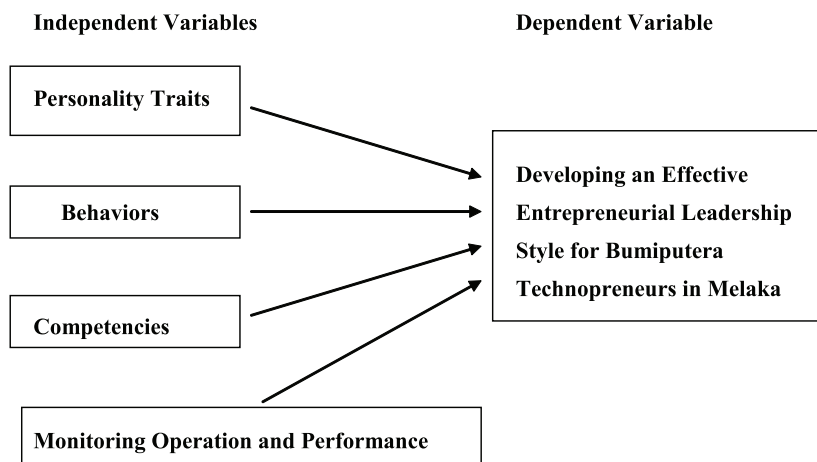


Figure 2: Theoretical Framework on Developing Effective Entrepreneurial Leadership Style for Bumiputera Technopreneurs in Melaka

**RESEARCH METHODOLOGY**

The study look into entrepreneurial leadership personality traits, behaviours, competencies and, monitoring operations and performance as dependent variables and entrepreneurial leadership style as independent variable. A questionnaire is a formalised set of questions for obtaining information from respondents that comprise six parts: demography, company profile, entrepreneurial leadership personality traits, entrepreneurial leadership behaviours, entrepreneurial leadership competencies and entrepreneurial leadership monitoring operations and performance. The questionnaires were design in Bahasa Malaysia and English. It will provide a choice for respondents which language that easy for them to understand the question given.

The research will be focused into industrial activities of government supported Small and Medium Enterprises (SMEs) bumiputera technopreneurs in Melaka. Information regarding technopreneurs will be gathered from Melaka Vendor Development Program, Majlis Amanah Rakyat (MARA) Cawangan Melaka, Malaysian Industrial Development Authority (MIDA) Cawangan Melaka and Bahagian Pembangunan

Usahawan, Perbadanan Kemajuan Negeri Melaka etc. The sampling size is about 150 bumiputera technopreneurs with 50 entrepreneurs from Melaka Tengah Industrial Area, Alor Gajah Industrial Area and Jasin Industrial Area respectively but only 143 respondents had been responding from 19 companies.

Data collected was analyzed by using SPSS for Windows 14.0 package to get Cronbach's Alpha value. For demographic section, 14 questions were produced. 37 questions for Entrepreneurial Leadership Personality Traits and Behaviors section, 13 questions for Entrepreneurial Leadership Competencies section, 16 questions for Entrepreneurial Leadership Monitoring Operations and Performance section and 29 questions for Entrepreneurial Leadership Style. The reliability of Alpha Value for all section was more than 0.9166.

## **DATA ANALYSIS**

### **Profile of Company**

Total of company owner/shareholder and organization profile were 162 respondents included 19 respondents or 11.8 percent were company owners. The 16 company owners or 9.9 percent were male respondents and another 3 company owners or 1.9 percent were female. 7 respondents or 4.3% percent of 19 company owners were less than 25 years old when started business. 4 company owners were between 25-35 years old when started business, 4 company owners were between 36-45 years old and also 4 company owners were between 46-55 years old when started business. The result shows that majority of the company owners surveyed were involved in business at the age of less than 25 years old. These age groups are suitable for business venture because people within this group are young and energetic.

Research shown that on highest education completed, only 1 respondent or 0.6 percent of 19 company owners were received only primary school education. 3 respondent or 1.9 percent secondary school education, 2 respondents or 1.2 percent with certificate, 4 respondents with 2.5% percent with diploma, 7 respondents or 4.3 percent with first degree education and 2 respondents or 1.2 percent were completed master/Phd education programs. The result shows that majority of the company owners are knowledgeable people with first degree level of education. Regarding career activity before starting their business, there were 12 respondents or 7.4 percent of 19 company owners came from private sector before starting business. Another 4 respondents or 2.5 percent were self-employed and 3 respondents or 1.9 percent was from 'others' group. It shows that experiences received from private sectors encourage people to start their own business. About the operational period, the research shows that; 2 respondents or 1.2 percent of 19 company owners were less than five years operational period and another 5 respondents or 3.1 percent with 5-10 years operational period and 11 respondents or 6.8 percent with more than 10 years operational period. There were 4 respondents or 2.5% percent of 19 companies owner set-up their business on their own and 10 respondents or 6.2 percent was starting business with family members and 5 respondents or 3.1 percent was starting business with friends.

For the purpose of this research, the Small Scale Enterprises (SMEs) are firm employing less than 50 employees while Medium Scale Enterprises (MSEs) are those firms employing between 50 and 199 employees. Those enterprises employing more than 200 employees and with paid up capital over than RM2.5 million are considered large scale enterprises (LSEs). However, at the moment, the researcher is not concerned with the LSEs because are not within the scope of the study. The scope of the study will

only cover Small Medium Enterprises and Medium Scale Enterprises. Out of the 19 companies, 12 companies or 7.4 percent were from Small Scale Industries (SSEs) and 6 companies or 3.7 percent were from medium scale enterprises (MSEs).

Table 1: Distribution of respondents by demographic variables (companies' owners/shareholders)

| Demographic Variables |                        | Frequency<br>(n=19) | Percent<br>(100%) |
|-----------------------|------------------------|---------------------|-------------------|
| <b>Gender</b>         | Male                   | 16                  | 98.1              |
|                       | Female                 | 3                   | 1.9               |
| <b>Age group</b>      | Less than 25 years old | 7                   | 37.0              |
|                       | 25 – 35 years          | 4                   | 21.0              |
|                       | 36 – 45 years          | 4                   | 21.0              |
|                       | 46 – 55 years          | 4                   | 21.0              |

From the Table 1, they were 4 respondents or 2.5 percent of 19 companies owner were starting business by their own money. Another, 7 respondents or 4.3 percent were starting business by family members fund and 8 respondents or 4.9 percent started business by borrowing from financial institution/bank. The business status of the company included 1 respondent or 0.6% percent of 19 companies were sole proprietorship firms and 3 respondents or 1.9 percent was partnership organizations and 15 firms were private limited companies. All companies were using technology in their business activities and the owners were categorised as technopreneurs. Out of the 19 companies which responded to the survey, the researcher found that most of the companies, 9 companies or 5.6% were from manufacturing enterprises. While, 2 companies or 1.2 percent responded were from information technology, automobile, services and food processing sectors each. One company or 0.6 percent was from biotechnology and engineering sector each. Manufacturing included the manufacturing of woods and metals based furniture for schools, offices and households and manufacturing of plastic products. Information technology, included, company that sells and does maintenance and repairing work for IT products like computer and telephone.

The bio-technology company that responded in the survey was involved in tissue culture research. One engineering company that responded was electrical contractor that producing and installing traffic light in Bandar Melaka. Automobile include companies that involved in car sales and automotive components and parts to public and private sectors. Services include ophthalmology, photostating and general printing services. Two food processing companies that responded in the survey were involved in foods and drinks processing activities.

**Profile of respondents**

In this research only 73 respondent or 45.1 percent of 143 workers that responded in the survey were male workers and another 70 respondents or 43.2 percent were female. About 81 respondents or 50.00% percent of 143 workers were less than 25 years old when join the companies. Another 54 workers were between 25-35 years old, 7 workers under between 36-45 years old category and 1 worker between 46-55 years old.

This result shows that majority of workers coming from less than 25 years old group. The education level of the respondent shown that majority of the workers included 70 respondents or 43.2 percent were completed secondary school education. Another 26 respondents or 16% were certificate holders, 25 workers or 15.4% with diploma qualification and 19 workers or 11.7 percent finished their first degree education. The result shows that majority of the company workers are knowledgeable people with first degree level of education.

i. Professional Profile of Respondents

The types of business technology of the companies, only 54 respondents or 33.3%, were from manufacturing enterprises, while 22 workers or 13.6% responded were from information technology and engineering sectors each. Also, 20 workers or 12.3% from services sector, 14 respondents from automobile companies and 11 respondents or 6.8% are from food production/processing sector (Table 2).

Table 2 : Professional Profile of Respondents (companies' owners/shareholders)

| Professional Profile            |                            | Frequency<br>(n=19) | Percent<br>(100%) |
|---------------------------------|----------------------------|---------------------|-------------------|
| <b>Education Attainment</b>     |                            |                     |                   |
|                                 | Primary school             | 1                   | 5.3               |
|                                 | Secondary school           | 3                   | 15.8              |
|                                 | Certificate                | 2                   | 10.5              |
|                                 | First degree               | 4                   | 21.1              |
|                                 | Diploma                    | 7                   | 36.8              |
|                                 | Master/PhD                 | 2                   | 10.5              |
| <b>Previous career</b>          |                            |                     |                   |
|                                 | Private sector             | 12                  | 63.2              |
|                                 | Self-employed              | 4                   | 21.0              |
|                                 | Others                     | 3                   | 15.8              |
| <b>Operational period</b>       |                            |                     |                   |
|                                 | Less than five years       | 2                   | 10.5              |
|                                 | 5-10 years                 | 5                   | 26.3              |
|                                 | More than 10 years         | 12                  | 63.2              |
| <b>How business started</b>     |                            |                     |                   |
|                                 | On my own                  | 4                   | 21.1              |
|                                 | With my family             | 10                  | 52.6              |
|                                 | With my friends            | 5                   | 26.3              |
| <b>Number of employees</b>      |                            |                     |                   |
|                                 | Less than 50 workers       | 7                   | 36.8              |
|                                 | 51-199 workers             | 12                  | 63.2              |
|                                 | 200 workers and above      | 0                   | -                 |
| <b>Sources of capital</b>       |                            |                     |                   |
|                                 | Your own pocket            | 4                   | 21.1              |
|                                 | Family members             | 7                   | 36.8              |
|                                 | Financial institution/bank | 8                   | 42.1              |
| <b>Business status</b>          |                            |                     |                   |
|                                 | Sole proprietorship        | 1                   | 5.3               |
|                                 | Partnership                | 3                   | 15.8              |
|                                 | Private limited company    | 15                  | 78.9              |
| <b>Types of technology used</b> |                            |                     |                   |



ii. Employees from technical and management unit

This demographic profile provides an overall view of the characteristics of the employees from general worker to management unit. Table 3 shows that there were 51.0% males as compared to 49.0% females in the overall sample. It suggested that males and females employees equally involved in the activities of technical unit in the companies understudied.

The distribution of respondents by their age group shows that majority of respondents (56.6%) of 143 company employees were less than 25 years old when joining the company compared to 37.8% for 25-35 years and 4.9 % for 36-45 years, and only one employee (0.7%) from 46-55 years of age category. This sample shows that majority of workers come from less than 25 years old group which were young and energetic.

Table 3 : Distribution of respondents by demographic variables  
(employees from technical to management unit)

| <b>Demographic Variables</b> |                           | <b>Frequency</b><br>(n=143) | <b>Percent</b><br>(100%) |
|------------------------------|---------------------------|-----------------------------|--------------------------|
| <b>Gender</b>                | Male                      | 73                          | 51.0                     |
|                              | Female                    | 70                          | 49.0                     |
| <b>Age group</b>             | Less than 25<br>years old | 81                          | 56.6                     |
|                              | 25 – 35 years             | 54                          | 37.8                     |
|                              | 36 – 45 years             | 7                           | 4.9                      |
|                              | 46 – 55 years             | 1                           | 0.7                      |

n=143

Professional Profile of Respondents (employees from technical to management unit)

The Table 4 as below shows that majority of the workers 70 respondents (49.0%) had completed secondary school education. 26 respondents (18.1%) were certificate holders, 25 respondents (17.5%) completed their first degree, 19 respondents (13.3%) were diploma holders and only 3 respondents (2.1%) with primary education. The result shows that majority of the company workers were knowledgeable with first degree level of education.

The table also shows that 37.8% of the workers (54 respondents) were from manufacturing enterprises, while 15.4% (22 respondents) were from information technology and engineering sectors each. 20 respondents (14.0%) were from services sector, 14 respondents (9.7%) were from automobile companies and 11 respondents (7.7%) from food production/processing sector.

Table 4 :Professional Profile of Respondents  
(employees from technical and management unit)

| <b>Professional Profile</b>                  | <b>Frequency<br/>(n=143)</b> | <b>Percent<br/>(100%)</b> |
|--|------------------------------|---------------------------|
| <b>Education Attainment</b>                  |                              |                           |
| Primary school                               | 3                            | 2.1                       |
| Secondary school                             | 70                           | 49.0                      |
| Certificate                                  | 26                           | 18.1                      |
| First degree                                 | 25                           | 17.5                      |
| Diploma                                      | 19                           | 13.3                      |
| Master/PhD                                   | -                            | -                         |
| <b>Types of technology used by workplace</b> |                              |                           |
| Biotechnology                                |                              |                           |
| Information technology                       | -                            | -                         |
| Engineering                                  | 22                           | 15.4                      |
| Automobile                                   | 22                           | 15.4                      |
| Manufacturing                                | 14                           | 9.7                       |
| Services                                     | 54                           | 37.8                      |
| Food production/processing                   | 20                           | 14.0                      |
|  | 11                           | 7.7                       |
| <b>Total</b>                                 | <b>143</b>                   | <b>100.0</b>              |

n=143

### Descriptive Statistical Analysis

This section presents the characteristics of 3 independent variables; transformational leadership style, transactional leadership style and charismatic leadership style and 5 dependent variables; entrepreneurial leaders' personality traits, entrepreneurial leaders' personality traits, entrepreneurial leaders' behaviours, entrepreneurial leader competencies, entrepreneurial leaders' monitoring companies' operation and entrepreneurial leaders' monitoring companies' performance dimension.

#### Analysis 1 : Entrepreneurial Leadership Traits Dimension

The majority of the respondents, 61.1% (99 people) strongly agreed that the entrepreneurial leader inclination toward challenging tasks were high. The analysis also shows that 37.7% (61 people) agreed with this aspect. Only 0.6% (1 people) disagreed and strongly disagreed that entrepreneurial leader inclination toward challenging tasks were high. The analysis also shows that majority of the respondents, 71.0% (115 people) strongly agreed that entrepreneurial leaders always ready and able to cope with business risks and another 29.0% of the respondents (47 people) agreed with this aspect. The total of 46.9% (76 people) agreed that entrepreneurial leader always act as intermediaries when disagreement arises between employees/subordinates whereas

42.6% (69 people) strongly agreed. The analysis also shows that 9.9% (16 people) and 0.6% (1 person) disagreed and strongly disagreed about this aspect respectively. Overall, based on above analysis, it was found that respondents' perspective regarding entrepreneurial leader traits dimension are at very good level. It means that all the above prerequisites are very important for Bumiputera entrepreneurial leader to become successful. The finding also synchronized with the literature review. Based on the composite score analysis (overall) for respondents' perception toward entrepreneurial leader traits dimension, it was found that the highest score are "strongly agreed" @ 57.40% followed by "agreed" @ 38.55% whereas respondents' perception score for disagreed and strongly disagreed only at 3.19% and 0.85% respectively. The mean score for respondents' perception is 3.52 with standard deviation (SD) 0.58. It shows that the level of respondent's perception for entrepreneurial leader traits dimension was high.

### **Analysis 2 : Entrepreneurial Leadership Behaviors Dimension**

Based on the composite score analysis (overall) for respondents' perception toward entrepreneurial leader behavior dimension, it was found that the highest score are "strongly agreed" @ 73.75% followed by "agreed" @ 26.25%. The mean score for respondents' perception is 3.73 with standard deviation (SD) 0.46. It shows that the level of respondent's perception toward entrepreneurial leaders' behavior dimension was high.

### **Analysis 3: Entrepreneurial Leadership Competencies Dimension**

Overall, based on above analysis, it was found that respondents' perspective regarding entrepreneurial leadership competencies dimension (setting direction aspect) are at very good level. It means that all the above prerequisites are very important for entrepreneurial leader to become successful. Based on the Composite Score Analysis (overall) for respondents' perception toward entrepreneurial leadership competencies dimension (setting direction aspect), it was found that the highest score are "strongly agreed" @ 65.23% followed by "agreed" @ 34.33% whereas respondents' perception score for disagreed only at 0.47%. The mean score for respondents' perception is 3.652 with standard deviation (SD) 0.57. It shows that the level of respondent's perception for entrepreneurial leadership competencies dimension was high.

### **Analysis 4 : Entrepreneurial Leadership Monitoring Operation and Performance Dimension**

#### **Entrepreneurial Leadership Monitoring Operation Dimension**

From the analysis, it was found that respondents' perspective regarding entrepreneurial leadership monitoring operation dimension are at very good level. It means that all the above prerequisites are very important for entrepreneurial leader to become successful and synchronized with the literature review. Based on the Composite Score Analysis (overall) for respondents' perception toward entrepreneurial leader monitoring operation dimension, it was found that the highest score are "strongly agreed" @ 53.5% followed by "agreed" @ 42.7% whereas respondents' perception score for disagreed and strongly disagreed only at 3.2% and 0.6% respectively. The mean score for respondents' perception is 3.7 with standard deviation (SD) 0.58. It shows that the level of respondent's perception for entrepreneurial leadership monitoring operation dimension was high.

### Entrepreneurial Leadership Monitoring Performance Dimension

Based on analysis, it was found that respondents' perspective regarding entrepreneurial leadership monitoring performance dimension are at very good level. Its mean that all the above prerequisite are very important for entrepreneurial leader to become successful and synchronized with the literature review. The Composite Score Analysis (overall) for respondents' perception toward entrepreneurial leader monitoring performance dimension, it was found that the highest score are "strongly agreed" @ 62.6% followed by "agreed" @ 25.1% whereas respondents' perception score for disagreed and strongly disagreed only at 4.0% and 8.2% respectively. The mean score for respondents' perception is 3.8 with standard deviation (SD) 0.56. It shows that the level of respondent's perception for entrepreneurial leadership monitoring performance dimension was high.

The Level of Respondents' Perception toward Entrepreneurial Leadership Styles (Transformational, Transactional and Charismatic Leadership Style) amongst the government supported SMEs Manufacturing Bumiputera Technopreneurs in Melaka.

The first objective of this study was to understand the level of respondents' perception toward entrepreneurial leadership styles (transformational leadership style, transactional leadership style and charismatic leadership style) amongst the government supported SMEs manufacturing bumiputera technopreneurs in Melaka. This was elaborated through the level of perception toward entrepreneurial leadership styles (transformational leadership style, transactional leadership style and charismatic leadership style) for the overall sample (n = 162; consisted of 19 respondents of companies' owners/shareholders and 143 respondents from technical and management unit). Prior to this, a summary of the descriptive statistics for the overall sample was illustrated in Table 5 below.

Table 5 : The Level of Respondents' Perception toward Entrepreneurial Leadership Styles' Dimension

| Entrepreneurial Leadership Style             | Frequency (n=162) | Percentage (%) | Mean | SD   |
|--|-------------------|----------------|------|------|
| <b>(i) Transformational Leadership Style</b> |                   |                |      |      |
| Low < 21                                     | 1                 | 0.6            | 3.40 | 0.57 |
| Medium 22 - 33                               | 83                | 51.3           |      |      |
| High > 34                                    | 78                | 48.1           |      |      |
| <b>(ii) Transactional Leadership Style</b>   |                   |                |      |      |
| Low < 21                                     | 1                 | 0.6            | 3.42 | 0.42 |
| Medium 22 - 33                               | 82                | 50.9           |      |      |
| High > 34                                    | 79                | 48.5           |      |      |
| <b>(iii) Charismatic Leadership Style</b>    |                   |                |      |      |
| Low < 25                                     | 2                 | 1.4            | 3.47 | 0.59 |
| Medium 26 - 40                               | 74                | 45.8           |      |      |
| High > 41                                    | 85                | 52.8           |      |      |

n=162

### Analysis 5 : Entrepreneurial Leadership Style Dimension

#### Transformational Leadership Style

The analysis shows overall situation regarding entrepreneurial leadership style dimension (transformational leadership aspect) from respondents' perspective. Based

on above analysis, it was found that respondents' perspective regarding entrepreneurial leadership style dimension are at very good level. Its mean that all the above prerequisites are very important for entrepreneurial leader to become successful. The Composite Score Analysis (overall) for respondents' perception toward entrepreneurial leadership style dimension (transformational leadership aspect), it was found that the highest score are "strongly agreed" @ 62.6% followed by "agreed" @ 25.1% whereas respondents' perception score for disagreed and strongly disagreed only at 4.0% and 8.2% respectively. The mean score for respondents' perception is 3.7 with standard deviation (SD) 0.57. It shows that the level of respondent's perception for entrepreneurial leadership style dimension (transformational leadership aspect) was high.

#### Transactional Leadership Style

Furthermore the analysis shows overall situation regarding entrepreneurial leadership style dimension (transactional leadership aspect) from respondents' perspective. Based on above analysis, it was found that respondents' perspectives regarding entrepreneurial leadership style (transactional leadership aspect) are at very good level. Its mean that all the above prerequisites are very important for entrepreneurial leader to become successful. Based on the Composite Score Analysis (overall) for respondents' perception toward entrepreneurial leadership style (transactional leadership aspect), it was found that the highest score are "strongly agreed" @ 48.5% followed by "agreed" @ 45.9% whereas respondents' perception score for disagreed and strongly disagreed only at 5.1% and 0.6% respectively. The mean score for respondents' perception is 3.6 with standard deviation (SD) 0.56. It shows that the level of respondent's perception for entrepreneurial leadership style (transactional leadership aspect) was high.

#### Charismatic Leadership Style

The analysis shows overall situation regarding entrepreneurial leadership style dimension (charismatic leadership aspect) from respondents' perspective. Based on above analysis, it was found that respondents' perspectives regarding entrepreneurial leadership style (charismatic leadership aspect) are at very good level. Its mean that all the above prerequisite are very important for entrepreneurial leader to become successful. Based on the Composite Score Analysis (overall) for respondents' perception toward entrepreneurial leadership style (charismatic leadership aspect), it was found that the highest score are "strongly agreed" @ 53.4% followed by "agreed" @ 44.4% whereas respondents' perception score for disagreed and strongly disagreed only at 3.3% and 1.5% respectively. The mean score for respondents' perception is 3.7 with standard deviation (SD) 0.57. It shows that the level of respondent's perception for entrepreneurial leadership style (charismatic leadership aspect) was high.

#### Finding

There were association between entrepreneurial leadership styles namely transformational leadership style, transactional leadership style and charismatic style with entrepreneurial leaders' personality traits, entrepreneurial leaders' behaviours, entrepreneurial leaders' competencies, entrepreneurial leaders' monitoring companies' operation and entrepreneurial leaders' monitoring companies' performance. The hypothesis denote the positive and significant relationship between entrepreneurial leadership styles namely transformational leadership style, transactional leadership style and charismatic style with entrepreneurial leaders' personality traits, entrepreneurial leaders' behaviours, entrepreneurial leaders' competencies, entrepreneurial leaders' monitoring companies' operation and entrepreneurial leaders' monitoring companies'

performance. Thus, charismatic leadership style was found most highly related to entrepreneurial leaders' personality traits, entrepreneurial leaders' behaviours, entrepreneurial leaders' competencies, entrepreneurial leaders' monitoring companies' operation and entrepreneurial leaders' monitoring companies' performance followed by transactional leadership style and transformational leadership style.

## CONCLUSION AND SUGGESTION

The research had identified specific personality traits, behaviours, competencies, operational monitoring and performance of entrepreneurial leaders among bumiputera technopreneurs in Melaka. The research involves government supported Small and Medium Enterprises (SMEs) bumiputera technopreneurs in Melaka Tengah Industrial Area, Alor Gajah Industrial Area and Jasin Industrial Area. Understanding entrepreneurial leadership is important for theoretical and practical reasons because entrepreneurial leaders are the individual that will need to lead companies in today's dynamic market. If we can identify certain personality traits, behaviours, competencies, monitoring operations and performance, we can use it to evaluate company success and new ventures success.

According, Gupta and MacMillian (2002) attempted to clarify the concept of entrepreneurial leadership by defining entrepreneurial leadership as leadership that creates visionary scenarios, motivating and committing a cast of characters for the discovery and exploitation of strategic value creation in an organisational setting. Moreover, entrepreneurial leaders capable of facilitating proactive transformation (Venkataraman & Van de Ven, 1998), should prove universally effective in mobilising efforts to redirect the firm, to seek new opportunities and to nurture growth. Therefore, understanding and developing entrepreneurial leadership is important for theoretical and practical reasons because Bumiputera technopreneurial leaders were the individual that will need to lead small and medium industries (SMIs) in today's innovative and dynamic market in Melaka. The research had identified the certain personality traits, behaviors, competencies and entrepreneurial leaders' monitoring operation and performance among the Bumiputera technopreneurial leaders.

The analysis shown that Bumiputera technopreneurial leaders can use it to evaluate SMIs success and ventures success. Also practitioners of high-risk lending may be interested in methods of assessing entrepreneurial leadership that can be introduced into their risk calculus and potentially improve the likelihood of higher returns of their venture in investments. In addition, concept of entrepreneurial leadership involves fusing the concepts of 'entrepreneurship' (Schumpeter, 1934), 'entrepreneurial orientation' (Covin & Slevin, 1988) and "entrepreneurial management" (Stevenson and Jarillo, 1990) with leadership. Gupta and MacMillian (2002) argue entrepreneurial leaders must create a scenario of possibilities that stirs the imagination of their subordinates and the entire network of stakeholders rather than merely identify opportunities to satisfy their own self-interest. Hence, they need to frame the vision of the scenario, absorb uncertainty about the value of opportunities and remove obstacles in the path of value realisation.

The conclusion, the research had provide insights for team building in executives' teams of SMIs, for example providing guidance in finding team members that can make unique contributions via their personality traits, behaviors, competencies and ways to monitor SMIs operation and performance. Suggestions of the research can be used as a guide to present and future SMIs technopreneurs regarding entrepreneurial leadership style that have to be practiced to become successful Bumiputera technopreneurial leader in Melaka. Also practitioners of high-risk lending may be interested in methods of assessing entrepreneurial leadership that can be introduced

into their risk calculus and potentially improve the likelihood of higher returns of their venture in investments. Moreover, this research could provide insights for team building in executive teams of companies, for example providing guidance in finding team members that can make unique contributions via their personality, behaviour, competency and, monitoring operations and performance. Nonetheless, it can be used as a reference to present and future bumiputera entrepreneurs regarding entrepreneurial leadership style that have to be practised to become successful entrepreneurs in Melaka.

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