

LINKING ENTREPRENEURIAL ORIENTATION AND PERFORMANCE: STIMULATING EFFECTIVE GOVERNMENT LINK COMPANIES

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ABSTRACT

The Malaysian Government has acquired a large shareholding in several Malaysian companies to meet national aspirations, social concerns and global challenges. Known as 'Government-Linked Companies' or GLCs, they play a vital role in the country's economy. For the GLCs to sustain in the industry it is operated, it has to find ways to optimize the best practices in entrepreneurial orientation (EO) that can improve its organization competencies, particularly the performance. The data were collected from the firms meeting the criteria of government linked companies or GLCs throughout Malaysia. Administrative questionnaires have been distributed to all potential respondents and a total of 181 respondents finally reply the questionnaire completely. Descriptive statistics, correlation analysis and regression analysis were run to test the research hypotheses. Results showed that EO in GLCs is positively related to performance. The limitation suggest a gap for future research to be explored by validating others industry.

Keywords: *Entrepreneurial orientation; Performance*

1. INTRODUCTION

Malaysian Government has acquired large shareholding in several Malaysian companies to meet national aspirations, social concerns and global challenges (Beh, 2007; CPPS, 2006; Tselichtchev, 2007; Vietor, 2007). GLCs have taken up the aspiration of Malaysian Prime Minister to accelerate in the business and to penetrate cross-border businesses opportunities. The move is equally important to the New Economic Model (NEM), Economic Transformation Plan (ETP), and particularly the Government Transformation Plan (GTP). Therefore, the GLCs should support the execution of those national agenda into a realization.

GLCs were defined as companies that have a primary commercial objective and in which the Malaysian Government has a direct controlling stake. Controlling stake refers to the Government's ability (not just percentage ownership) to appoint Board of Director members, senior management,

make major decisions (e.g. contract award, strategy, restructuring and financing, acquisitions, divestments etc.) for GLCs either directly or through Government-linked Investment Companies or GLICs.

The GLICs that hold shares in the GLCs such as Khazanah Nasional Berhad, Pension Trust Funds, Employees Provident Fund, and Permodalan Nasional Berhad (Norhayati & Siti Nabiha, 2009). Most of the GLCs are the main providers of utilities, postal services, airlines, airports, public transport, water and sewerage, and banking and financial services. Some GLCs also participate in the automotive, plantation, and construction industries. In terms of the size, the group employs an estimated 5 per cent (about 400,000 employees) of the national workforce, and accounts for approximately 36 per cent of the Malaysian Stock Exchange market capitalization and 54 per cent of the Kuala Lumpur Composite Index (Abdullah, 2004).

Government-linked Companies or GLCs, which account for 36 per cent of the market capitalization of the Malaysian stock market, undoubtedly plays a very important role in the growth of the economy of Malaysia (Mokhtar, 2005). GLC also have a part in ensuring Malaysia achieve its ambition of becoming a developed country by the year of 2020. GLCs and their controlling shareholders, GLICs, constitute a significant part of the economic structure of the nation. GLCs employ an estimated 5% of the national workforce and account for approximately 36% and 54% of the market capitalization of Bursa Saham and the benchmark Kuala Lumpur Composite Index respectively (Putrajaya Committee).

GLCs remain the main service providers to the nation in key strategic utilities and services including electricity, telecommunications, postal services, airlines, airports, public transport, water and sewerage, banking and financial services. In areas of industrial policy and development such as in automotive and semi-conductors, GLCs play an important role in executing Government policies and initiatives and in building capabilities and knowledge in key sectors.

2. RESEARCH PROBLEM

While GLCs have undoubtedly have been a major element in Malaysia's economic development, they were hard hit by the Asian financial crisis in the late 1990s which resulted in more than 90 public listed companies (PLCs) including GLCs being delisted. Since the conventional model of the government's deep involvement in the cultivation of industry and the management of public sector enterprises had effectively collapsed, the situation compelled the government to introduce a rationalization policy (Vietor, 2007). It involved major corporate restructuring and the bailouts of large and economically significant GLCs (Ching, Jomo, & Fay, 2005). Despite the government's intervention, a number of them continued to underperform as reflected by key financial and operational indicators, and became a financial burden to the government (Musa, 2007).

The Malaysian economy is now confronting significant challenges. The forces of globalization are creating intense competitive pressures in international trade. GLCs are now under pressure to formulate strategies for competing successfully in a more liberalized trading environment with new players and rivals (Thompson, Strickland, & Gamble, 2007). Consequently, GLCs required

placing the goal of profitability above other factors (Musa, 2007). With that, for the GLCs to sustain in the industry, it has to find ways to optimize the best practices in entrepreneurial orientation (EO). The study of EO results from the belief that a focus on high levels of risky, proactive, and innovative behaviors leads to improved firm performance. This perspective suggests that entrepreneurial oriented firms are able to position themselves to take advantage of market opportunities. Such firms are able to target premium market segments, charge high prices, and establish industry standards (Wiklund, 1999; Zahra & Covin, 1995). Thus, a study on EO is needed to ensure that Malaysian GLCs could perform a better performance by practicing EO elements in their current management practice.

3. LITERATURE REVIEW

3.1 Performance

Many researches are trying to link the performance of a company to certain factors including the governance best practice and standard operating procedures and have attempted to provide some empirical evidence on this issue by using various methodologies as well as searching for a relation between certain governance mechanisms and firm performance (Ang & Ding, 2006). According to Crowther (1996), evaluating business performance is one of the managerial tasks that should be implemented in the strategy making process. The purpose of performance evaluation can be identified as follows:

1. Control of the business and the utilization of resources in the present and in this context accounting provide a vehicle for that control through its function of measuring and recording performance;
2. The accountability of the business to its owners and other stakeholders and its reporting mechanisms to meet this purpose;
3. Planning for the future through the use of measures and reporting of performance to facilitate strategy formulation and decision making.

Superior performance is usually based on developing a competitively distinct set of resources and deploying them in a well-conceived strategy (Collis & Montgomery, 1994; Fahy, 2000). Indeed, strategists who

embrace the Resource-Based View (RBV) also point out that competitive advantage comes from aligning skills, motives etc. with organizational systems, structures and processes that achieve capabilities at the organizational level (Salaman et al., 2005; Teece et al., 1997). Into the bargain, firms with a bundle of resources that are valuable, rare, inimitable and non-substitutable can implement value-creating strategies that are not easily duplicated by other firms (Barney, 1991). However, it is quite difficult to find a resource, which satisfies the entire VRIN criterion (Barney, 1991), except in a monopolistic type of company.

In this particular area of studies, performance in GLC can be classified into financial (accounting-based measures such as cash in hand/at bank, profitability, sales growth etc.) and non-financial (market share, new product introduction, product quality, marketing effectiveness or manufacturing value-added) (Kapelko, 2006). Profitability and sales growth is the most common measure of performance (Doyle, 1994; Kasim, Minai, & Chun, 1989). An effective performance measurement system ought to cover more than just financial measures (O'Regan & Ghobadian, 2004). Financial measures mostly reflect the firm's emphasis on achieving quantifiable performance objectives such as profitability, sales, assets etc. (Heidt, 2008).

Recently, researchers have introduced several non-financial determinants of performance and the relative positioning of the firms against the leading competitor (Alegre et al., 2006; Ulusoy & Yegenoglu, 2005). This type of measurement is becoming popular to overcome the limitation of financial measurements, such as a high probability of low response rate due to confidential data in organization. An example is the non-financial performance scale constructed by Alegre et al. in French biotechnology firms (Alegre et al., 2006), focusing on two different dimensions which are, efficacy and efficiency, whereby both dimensions reflect the degree of success of a company and the effort carried out to achieve that degree of success (Griffin, 1997; OECD-EUROSTAT, 1997; OECD, 2005; Valle & Avella, 2003; Wheelwright & Clark, 1992; Zhan & Doll, 2001).

3.2 Entrepreneurial Orientation

Human resources activities can result in higher operating performance since it leads to the development of a skilled workforce and one that engages in functional behaviour for the firm, thus forming a source of competitive advantage (Wright et al., 2003). Foss et al. (2006) proposed that, in the subjectivist theory of team entrepreneurship, human resources and resource learning are key contributors to a firm's evolving bundle of productive resource services. It has been described as person-level influences on innovation activities which require other distinct resources such as intellectual abilities, knowledge, styles of thinking, personality, motivation and environment (Sternberg, 1999). This is in line with the Schumpeterian point of view (Shefsky, 1994) which noted creativity as a method of idea generation in utilizing a firm's resources. One of the intangible resources of GLC is the human capital itself which need entrepreneurial capabilities to survive in the workplace.

In Marxist theory, entrepreneurial labor has been treated as labor power and as a generic resource (Bowman, 2003). Entrepreneurial labor also refers to the ability to recognize and understand the advantage of productive capital (Barney, 1986). Entrepreneurial labor needs EO capabilities to compete in the market. EO as one of intangible resources (styles of thinking) has a willingness to explore new ideas and markets and attempts to destroy the market leader position by discovering new markets (Janney & Dess, 2006). EO mostly focused on finding and proactively exploiting opportunity through innovation. Furthermore, an entrepreneurial factor such as EO provides the cultural foundation for organizational learning, which enables an organization to achieve a higher level of performance and better customer value (Liu, Luo, & Shi, 2002).

According to Miller (1983), the concept of EO is a combination of three dimensions: (1) innovative is the concerned with supporting new ideas and creativity; (2) risk taking measured the extent to which individuals differ in their willingness to take risk (Lumpkin & Dess, 1996); and (3) proactive is concerned with first mover and other actions aimed at seeking to secure market and future demand (Lumpkin & Dess, 1996; Miller, 1983).

Entrepreneur Orientation is a key way to develop distinctive competencies such as product innovation (Hitt & Ireland, 1986). For the new start-up of small venture firms, innovative entrepreneurs are important as they play the role of the main driver that keeps the venture growing and profitable (Tan, Lai, Nathan, Thambiah, & Chan, 2009). Other typical characteristics of entrepreneurs to be successful are the capability to gain knowledge of how the market functions, manufacturing know-how, marketing skills, business management skills, the ability to cooperate and the ability to solve problems (Carland & Carland, 1992; Casson, 1982).

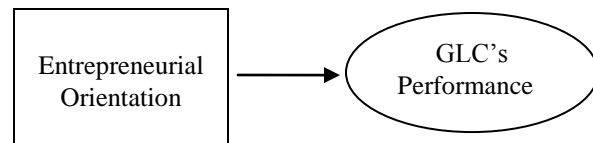
However, the proactive personality scale, an addition to the literature on individual differences, appears to have the potential to provide further insight into the association between personality trait and entrepreneurship (Crant, 1996). Proactive entrepreneurial personality will lead to proactive firms, which can differentiate themselves from their competitors by changing their production methods and products to be more innovative. Furthermore, firms can be categorized as entrepreneurial when they undertake risky action and be the first with proactive innovation, which can beat the competitors (Miller, 1983).

3.3 The Underpinning Theory that Support the Research-Resource Based View

The resource-based view (RBV) highlights the firm as a unique collection of resources (Barney, 1986, 1991; Wernerfelt, 1984), but emphasizes that not all resources possess the potential to provide the firm with a sustained competitive advantage (Clulow, 2007). Previous literature on the RBV has frequently focused on resources as a stable concept that can be identified at a point in time and will endure over time (Wright, Dunford, & Snell, 2003). When referring to the RBV, most researchers focus on strategic context, presenting resources and capabilities as essential to gaining a sustained competitive advantage and superior performance (Ferreira & Azevedo, 2007). The present study will represent the function of entrepreneurship in RBV by highlighting the importance of EO as a human resource capability. As Casson (2004) points out, the RBV focuses on the importance of human

resources, as reflected in the competencies and capabilities in the performance of the firm (Teece et al., 1997). Recently, a number of quantitative studies have been published to bridge the gap between the RBV theory and organizational practice, and there are also robust studies that discuss the impact of resources on firms. Most aspects of the RBV of firms' competitiveness are directly relevant to the ongoing debate on the impact of firm-specific resources to the overall performance of smaller firms (Matlay & Harry, 2005).

3.4 Research Framework



3.5 Hypotheses

H1-Entrepreneurial Orientation (EO) has significant positive relationship with performance

4. RESEARCH METHODOLOGY

4.1 Data Collection

A survey of firms meeting the criteria of a GLC has been used in collecting the primary data. Government-linked Companies or GLCs were defined as companies that have a primary commercial objective and in which the Malaysian Government has a direct controlling stake. Controlling stake refers to the Government's ability (not just percentage ownership) to appoint Board of Director members, senior management, make major decisions (e.g. contract award, strategy, restructuring and financing, acquisitions and divestments etc) for GLCs either directly or through Government-linked Investment Companies or GLICs. The GLICs that hold shares in the GLCs such as Khazanah Nasional Berhad, Pension Trust Funds, Employees Provident Fund, and Permodalan Nasional Berhad.

The respondents in this study were the employees from top hierarchical levels. Top-level management levels were chosen as they have high authority in making decisions in organizations. Each respondent received a copy of the questionnaire personally

(face to face), hence to ensure the highest possible response rate. The cover letter gave a clear explanation of the purpose behind the research, assuring the respondent anonymity, and an offer to send a copy of a summary of the findings to those who are interested.

4.2 Sampling Techniques

The sampling frame utilized the GLCs of G-20 and Public Listed Companies, which GLICs are Kumpulan Wang Simpanan Pekerja (KWSP), Khazanah Nasional Berhad (KNB), Lembaga Tabung Angkatan Tentera (LTAT), Lembaga Tabung Haji (LTH) and Permodalan Nasional Berhad (PNB), and which have included 13 sectors (agriculture, automotive, financial institution group, healthcare, infrastructure and construction, leisure and tourism, media and communication, others, property, technology and bio tech, transportation and logistics, utilities, and sustainable development).

Therefore, the research identified 17 listed companies (Proton, CIMB group, EON Capital, IDFC, Apollo Hospital, Plus Expressway, Axiata, Telekom, Astro, Time dotCom, Time Engineering, Parkson Retail, MAS, Malaysia Airport, Pos Malaysia, Tenaga Nasional and Camco International) and another 10 companies (Malaysian Building Society Berhad, Malaysian Resources Corporation Berhad, Affin Holdings Berhad, Boustead Holdings Berhad, BIMB Holdings Berhad, TH Plantations Berhad, Chemical Company of Malaysia Berhad, Malayan Banking Berhad, Sime Darby Berhad, and UMW Holdings Berhad) to be included in this study. This study used the proportionate sampling technique by chosen a number of 10 employees from the hierarchical level in each 27 companies, which will result a number of 270 employees to be the respondents of the study.

4.3 Research Design

The research design for this investigation is a quantitative study approach using a survey method. Quantitative research can reliably determine if one idea or concept is better than the alternatives. This method also enables researchers to measure and control variables. Quantitative research is used to answer questions about relationships among measured variables with the purpose of explaining, predicting, and controlling phenomena. Hence, the research design met the needs of this study, as the

researchers sought to provide reliable and valid outcomes.

Survey method was used because it provides a basis for generalization of the results to the whole population. Furthermore, this approach is useful in obtaining information from people in natural settings with minimal intrusiveness. Survey could be used for descriptive, explanatory, and exploratory objectives. Survey also allows for the collection of large amounts of data from different group of people in a relatively short period of time. Structured questionnaire was used as tool to conduct the survey. The advantages of using questionnaires are greater uniformity and being economically and time efficient. In addition, questionnaire allows for anonymity of subjects, which give respondents time to read and understand the questions.

4.4 Population and Sampling Procedures

The data has been collected from the firms meeting the criteria of government linked companies or GLCs throughout the country. The sampling frame will utilize the GLCs under Khazanah Nasional Berhad which have included 13 sectors; agriculture, automotive, financial institutions, healthcare, infrastructure and construction, leisure and tourism, media and communication, property, technology and biotech, transportation and logistics, utilities and sustainable development. The respondents in the study were the managers in top-level management. They were considered the most likely key informants, as he or she is the person who would be involved in strategic decision at the respective levels.

A disproportionate random sampling technique was employed in this study, and the researcher can assume that the characteristics of the sample approximate the characteristics of the total population. Random sampling approach is taken due to its ability in providing much information of a given sample size. Random sampling is a compromise between the accuracy of findings and the amount of time and money invested in the collection, checking and analyzing the data. The disadvantage of this method is that the process is cumbersome and expensive. The sample size should be adequate to the research by being large enough to approximate the characteristics of the population satisfactorily and provide a credible result.

4.5 Measures and Instrumentation

The constructs used in the research instruments were developed from prior research and previously tested for reliability. Some of the questions used were slightly modified to make them more relevant to the purpose of this study.

4.5.1 Entrepreneurial Orientation

The entrepreneurial orientation scale employed was based on the work of Covin and Slevin (1989), and has been utilized by Covin, Slevin, and Schultz (1994). It utilizes a Likert-type scale with a 1 to 5 range and consists of nine items. There were approaches to measuring entrepreneurial orientation, which are managerial perceptions, firm behaviour and resource allocation, along with the advantages and disadvantages of each (validity and reliability). Measurement can be enhanced by triangulation, utilizing multiple measures to analyse the same theoretical question. Most research surrounding entrepreneurial orientation normally include research of variables in combination and the individual dimensions of risk taking, proactiveness and innovation. The variables of innovativeness, proactiveness and risk-taking measure the entrepreneurial orientation of a firm. Items below were adopted from Covin, Slevin, and Schultz (1994) for measuring the entrepreneurial orientation in this study. The items were measured on a five-point scale, where a scale of 1 represents 'strongly disagree', and a scale of 5 represents 'strongly agree'.

Table 1: Entrepreneurial Orientation Scale

1. Our organization searches new technologies, processes, techniques, and or product idea
2. Our organization generates creative ideas
3. Our organization promotes and champions new ideas to others
4. Our organization investigates and secure funds needed to implement new ideas
5. Our top management is an innovative problem solver
6. Our organization believes in something to make it happen, no matter what the odds are
7. Our organization loves being the champion for our ideas, even against others' opposition
8. Our organization spots a good business opportunity long before others can
9. Our top management prefers risky business option

4.5.2 Performance

Subjective performance was adopted from Lumpkin & Dess (1996) in measuring performances. Respondents were asked to rank the performance of their organizations on criteria like return on investment, net profit, market share and sales growth. Past research has indicated that subjective measures can be consistent with objective measures of performance, thus enhancing the validity of this approach. In addition, subjective measures may increase the response rate in case objective data are either not available or respondents are not willing to reveal this information. Respondents were asked to provide the assessment of their organization's performance based on the importance and satisfaction for the past year. The scale items for performance are listed below.

Table 2: Performance Scale

1. Return of investment
2. Net profit
3. Control of operational expenses
4. Market share
5. Product/ service cycle time
6. Customer services level
7. Inventory levels
8. Resource utilization
9. Sales growth
10. Sales volume

4.6 Data Collection Procedures

Each respondent was given a copy of the questionnaire together with a cover letter that includes an appeal for participation. The cover letter will use the Universiti Utara Malaysia letterhead because a university affiliation has been shown to increase response rates. The cover letter will give a clear explanation of the purpose behind the research, assuring the respondent anonymity, and an offer to send a copy of a summary of the findings to those who are interested. The letter also stresses that any information provided will be treated with strictest confidence and would be used only for academic purposes.

Structured questionnaires have been used in this study to collect the data from the respondents in the natural environment of the workplace. In constructing the instrument items of the questionnaires, an attempt will be made to include questions only if they were necessary in achieving research objectives, to avoid jargons and technical terms as much as possible so as to make the questions simple easy to understand. For all the question items, closed-ended format has been used in order to help the respondents make quick decisions among the several alternatives before

them. These will also be helpful to the researcher in coding the information easily for subsequent analysis.

4.7 Analysis of Data

The data collected was analyzed using the SPSS software. Descriptive statistics was used to analyses the characteristics of the respondents including frequency tables, means and measures of variability. Pearson's correlation coefficient and regression analysis was used to test the relationships between market orientation, entrepreneurial orientation and business performance. Prior to regression, a correlation analysis was performed to determine if strong correlation exists among various variables. High correlations potentially indicate multicollinearity, which is a problem in the regression analysis. The Pearson correlation coefficient was used to identify the magnitude and the direction of the relationships between variables.

5. RESULT

5.1 Reliability

Reliability was defined as the level of internal consistency or stability of the measuring device over time. It is the consistency of an instrument to produce the same results each time it is used. Reliability does not refer to the accuracy of a test in measuring what it purports to measure but rather to its consistency in yielding similar results each time it is used.

The recommended technique for estimating the reliability of test instrument is provided by the Cronbach's coefficient Alpha. The Cronbach's Coefficient Alpha is based on the split-halves internal consistency method. The Alpha values indicate the reliability of the instruments. A high Alpha means that instruments correlate well with the true scores but a low Alpha indicates that the instruments perform poorly. Generally, an alpha coefficient of 0.8 and above is considered good, and Alphas of at least 0.70 are deemed acceptable.

Table 3: Results of the Reliability Test

No.	Variable	No. of Items	Alpha Value
1	EO	9	0.878
2	Performance	10	0.932

5.2 Descriptive Analysis

5.2.1 Entrepreneurial Orientation

The means and standard deviation of in the entrepreneurial orientation constructs are displayed in Table 4. Mean scores are computed by equally weighting the mean scores of all items. On a five-point scale, the mean scores of the items of entrepreneurial orientation are from the highest of 4.2633 to the lowest of 3.5836. The standard deviation ranged from 0.68587 to .95082.

The mean score for the EO construct can be classified as high. A mean rating value of 4.21 and above is classified as very high, a mean rating value of between 3.41 and 4.20 as high, and a mean rating of 3.41 and below as moderate.

Table 4: Means of Entrepreneurial Orientation

No.	Statement	Mean	SD
1	New technologies	4.2633	.73317
2	Creative ideas	4.0676	.68587
3	Promotes ideas	3.8821	.84053
4	Secures funds	3.8327	.95082
5	Top management	3.7544	.75606
6	Believes	3.8826	.77718
7	Idea Champion	3.7544	.86201
8	Spot Opportunity	3.7046	.86702
9	Take risk	3.5836	.89500

5.2.2 Performance

The means and standard deviations of all items for performance were shown in Table 5 below. All items were measured on a five-point scale. The mean scores for performance ranged from 3.79 to 4.08, giving an overall mean of 3.94. This shows that the performance of the banks was relatively high for the past three years.

Table 5: Means of Performance

No	Statement	MeanSD
1	Return on investment	3.8869
2	Net profit	3.8768
3	Operational expenses	3.8102
4	Market share	3.7044
5	Product/service cycle time	3.7491
6	Customer services level	3.9638
7	Inventory levels	3.7194
8	Resource utilization	3.7527
9	Sales growth	3.8561
10	Sales volume	3.9532

5.3 Regressions Analysis

Regression analysis was performed to assess the direct and indirect relationships within the proposed model and the stated hypotheses. Regression analysis is a process that assist in the determination of the probably form of the relationship between variables. This method can predict or estimate the value of one variable (dependent variable) corresponding to a given value of another variable (independent variable). Based on the regression table 5, the result shows that variable was positively significant. As indicated earlier. As shown in Table 5, (EO) showed a beta value of, .156 with significant value of, .003. Thus the hypothesis that the “Entrepreneurial Orientation (EO) has significant positive relationship with performance” is accepted

Table 6: Regression Analysis

Model B	Standard Error	Beta	T.	Sig.
(Constant)	911	.181	5.030	.000
EO	.152	.051	.156	2.975

a. Dependent Variable: Performance

6. DISCUSSION

In general, the core objective of this study is to explore the management practice of GLCs in Malaysia in terms of entrepreneurial orientation and its relationships to firm performance. The results show that entrepreneurial orientation has significant positive relationship to GLCs performance. Entrepreneurial orientation is a key way to develop distinctive competencies such as product innovation (Hitt & Ireland, 1986). Entrepreneurial orientation, particularly for the new start-up of small venture firms, or innovative entrepreneurs are very important because it plays the role of the main driver that keeps the venture growing and profitable (Tan, Lai, Nathan, Thambiah, & Chan, 2009). Additionally, other typical characteristics of entrepreneurs to be successful are the capability to gain knowledge of how the market functions, manufacturing know-how, marketing skills, business management skills, the ability to cooperate and the ability to solve problems (Carland & Carland, 1992; Casson, 1982).

Therefore, the study examined the effect of entrepreneurial orientation on the company's performance in GLCs Malaysia. The hypothesis was stated as Entrepreneurial Orientation has a significant positive relationship with performance. By having the data, the result of this study was

found that EO has a positive significant relationship with a performance which this result confirmed the hypothesis. This finding showed that EO is a key driver of enhancing the companies' performance. Thus, it also proves, that EO can't be simply ignored by the top management once they need to enhance the performance. Additionally, EO is a vital variable in improving the GLC's performance, based on the theoretical understanding. This result was in line with previous studies such as Wiklund and Shepherd (2004) and Runyan, Droge, and Swinney (2008).

7. STUDY LIMITATIONS

It is important that in any research, limitations must be recognized and acknowledged so that the validity and reliability of findings may be properly assessed. Also, limitations highlight different approaches that may be useful for future research in exploring further the issues investigated. As with all research, this research has certain limitations which must be taken into consideration in evaluating and interpreting the results, findings and their contribution.

From a methodological point of view, it is not easy to establish causal relationships between EO and performance using a quantitative method, as established in this research. This method has some generic limitations, such as positive response bias and reporting bias. Therefore, it is important when interpreting the results of this research to understand such limitations and also limitations associated with the use of secondary data (e.g. sampling criteria, data classification system and data entry errors) applying to it. However, such limitations have been minimized when supported by convincing literature and justifications paired with statistical knowledge in SPSS.

In addition, in conducting quantitative research it is essential to determine its show external validity. External validity relates to the certainty with which the findings can be generalized to the population and to other settings. This research was conducted using a sample of Malaysian GLCs. Therefore, care should be taken in generalizing the findings of this research to other countries.

8. CONCLUSION

In the case of the direct relationship between Entrepreneurial Orientation (EO) and Performance, results showed that EO demonstrates a positive relationship with performance. A key concern in RBV studies is the relative importance of a firm's

resources towards the firm's performance. Many have found that intangible resources positively influence a firm's success (Cater & Cater, 2009; Galbreath, 2005a; Galbreath, 2005b; Fitz-enz, 2000; Villalonga, 2004). This research has provided several significant contributions to the fields of RBV research, particularly in the light of research context, conceptualization and methodology. The concept of RBV has enjoyed enormous popularity in the literature as a vehicle for creating and enhancing firms' performance. The findings in this research were based on GLCs self-reporting in a questionnaire. This produces certain constraints, such as a positive response bias. Therefore, it is also recommended to explore the relationships tested in this research by obtaining data from multiple sources within firms, such as interviewing the owners/managers and conducting case studies. Moreover, replication of this research with the inclusion of some other variables, such as other moderating variables, would help to explore the relationship between EO and performance in GLC from a different lens.

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