CORPORATE ENTREPRENEURSHIP AND INNOVATION MANAGEMENT IN THE CONTEXT OF EMERGING ECONOMIES IN AFRICA

Case study: Kenyan state corporations

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ABSTRACT

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ABSTRACT

This master's thesis sought to determine the prevalence of corporate entrepreneurship, together with the underlying factors that either stimulate or impede corporate entrepreneurship and innovation management within the context of emerging economies in Africa. The target population for this study consisted of the top ten countries that have been listed as Africa's Top 10 Fastest Growing Economies' by the World Bank and IFC's Ease of Doing Business Survey of 2012. Kenya has been chosen as case study being representative of the economically emerging states in Africa. The study revealed that despite the fact that most corporates in emerging economies in Africa face challenges in their effort to move towards being more entrepreneurial and innovative in their operations, most corporates were strived to ensure consistency in the development of new types of ventures and have frequently tried new techniques of manufacturing products by encouraging and investing in continual improvement. Further, the study noted that corporate managers needed to constantly innovate and in order to stay ahead of the competition, corporate managers should allow employees flex time to brainstorm and develop individual projects. Leadership was found to provide the most accommodating managerial background for radical entrepreneurship. Good leadership in corporate entrepreneurship is one that endures solutions, as well as understands how to manage dynamic complexities, uncertainties and opportunities not accustomed to dealing with. The study established that the biggest challenge facing corporate entrepreneurs is the corporate cultures itself; corporate ventures seldom blend smoothly with existing corporate cultures. For corporate entrepreneurship to thrive its necessary that organizations adopt flatter hierarchies, wider divisions of labour, wider span of control and decentralized organizational structures. Finally, in view of magnifying corporate entrepreneurship, innovation and competitiveness, this research suggests that leaders should be motivated towards corporate entrepreneurship and must continuously strive to exude and build trust, embrace the risk to fail and inspire those around them to take similar calculated risks.

Keywords *Corporate Entrepreneurship, Innovation, Emerging Economies in Africa*
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TIIVISTELMÄ

VISAMÄKI
Liikkeenjohdon ja yrittajyys

Tekijä Abdishakur ALI **Vuosi** 2016

Työn nimi Sisäinen yrittäjyys ja innovaatiojohtaminen Afrikan kehittyvissä talouksissa

TIIVISTELMÄ

Tutkimuksessa pyrittiin määrittämään sisäisen yrittäjyyden esiintyvyys sekä siihen liittyvät taustat, jotka joko stimuloivat tai estävät sisäistä yrittäjyyttä ja innovaatiojohtamista kehittyvissä talouksissa Afrikassa. Tutkimuksen kohderyhmä koostui kymmenestä maasta, jotka ovat listattu Afrikan kymmeneksi nopeimmin kasvavaksi taloudeksi Maailmanpankin ja IFC: n Ease of Doing Business Survey 2012 toimesta. Kenia on valittu case tutkimukseen maana, joka edustaa taloudellisesti kehittyviä valtioita Afrikassa.

Tutkimus osoitti, että huolimatta haasteista, joita Afrikan kehittyvissä talouksissa olevat yritykset kohtaavat niiden pyrkiessä kohti yrittäjyyttä ja innovatiivisuutta toiminnassaan, useimmat yhtiöt olivat pyrkineet perustamaan uudentyyppisiä yrityksiä ja hankkeita ja ovat usein kokeilleet uusia tekniikoita tuotteiden valmistamisessa panostamalla jatkuvaan kehitykseen. Lisäksi tutkimus totesi, että yritysjohtajien pitää jatkuvasti innovoida ja pysyäkseen kilpailun kärjessä, myös annettava työntekijöille mahdollisuuksia joustavaan työskentelyaikaan älyllisen kapasiteettinsa käyttämiseen ja yksilöllisten projektien kehittämiseen.

Johtajuuden todettiin olevan ratkaiseva tekijä mullistavassa yrittäjyydessä. Hyvä johtaminen sisäisessä yrittäjyydessä takaa ratkaisujen tekemisen, sekä ymmärtää miten hallitaan dynaamiset ja monimutkaiset tilanteet, epävarmuudet sekä yllättävät mahdollisuudet. Tutkimuksessa todettiin, että suurin haaste sisäisessä yrittäjyydessä on yrityskulttuuri itse; yrityshankkeet harvoin sulautuvat ongelmitta olemassa olevaan yrityskulttuuriin. Sisäisen yrittäjyyden menestymiselle on tarpeen, että organisaatiot ottavat käyttöön ohuemman hierarkian, laajemman työnjaon, laajemman valvonnan ja hajautetut organisaatiorakenteet. Lopuksi sisäisen yrittäjyyden, innovoinnin ja kilpailukyvyn laajentamisen kannalta, tämä tutkimus osoittaa, että johtajien tulee olla motivoituna sisäiseen yrittäjyyteen, pyrkiä jatkuvasti rakentamaan luottamusta sekä otettava riskejä epäonnistumisesta ja kannustaa näiden kysymysten kanssa työskenteleviä ottamaan samanlaisia harkittuja riskejä.

Avainsanat Sisäinen yrittäjyys, Innovaatiojohtaminen, Afrikan kehittyviä talouksia
Sivut 80 s. + liitteet 7 s.

CONTENTS

DEDICATION

This study is dedicated to all business owners, especially for those operating in the emerging economies of Africa, who are committed to innovation as the future of entrepreneurship; may your creative ideas and new ways of doing business come to bear and stir the African continent to greater heights.

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1 INTRODUCTION

This chapter presents a comprehensive introduction of the study. This is systematically done in terms of the following sections: background to the study, problem statement, objectives of the study, research questions, significance of the study, basic assumptions of the study, limitations of the study, scope and organization of the study.

1.1 Background of the study

The considerable potential for corporate entrepreneurship to renew companies through innovation-based initiatives has led to increasing interest on how corporate entrepreneurship can be perpetuated within established firms. (Corbett, 2013; Phan, 2009). For instance, studies by Yiu and Lau (2008), Zahra and Covin (1995) and Kuratko and Audretsch (2009) have shown that corporate entrepreneurship and innovative management styles play an important role in a firm's achievement of higher levels of performance, profitability, growth and competitive advantage. The idea behind corporate entrepreneurship, which refers to entrepreneurial activities within established firms, dates back to the mid-1970s; it was first introduced by Peterson and Berger (1971) as a strategy and leadership style adopted by large organizations to cope with the increasing level of market turbulence. However, it was not until the early 1980s when corporate entrepreneurship became a separate research topic through the works of Burgelman (1983), Miller (1983) and, in particular, when Pinchot's (1985) book on intrapreneurship was published (Christensen, 2004). Since then, different labels have therefore been used to address the phenomenon of entrepreneurship within existing organizations - such as corporate venturing (Burgelman, 1983b), intrapreneurship (Pinchot, 1985), corporate entrepreneurship (Guth and Ginsberg, 1990), internal corporate entrepreneurship (Jones and Butler, 1992) and strategic entrepreneurship (Hitt *et al.*, 2011).

Nevertheless, based on evidence from special issues of journals, it appears that corporate entrepreneurship has gained the most attention as the main construct of entrepreneurship (Guth and Ginsberg, 1990; Phan *et al.*, 2009). It is also worth noting that corporate entrepreneurship encompasses the actual entrepreneurial acts or market-oriented results; and this differs from other constructs - such as entrepreneurial orientation - which are predispositions of firms with respect to their strategy-making processes, practices and activities that stimulate corporate entrepreneurship (Dess and Lumpkin, 2005; Simsek and Heavey, 2011, p. 83). On the other hand, it is generally believed that innovation holds the key to prosperity for firms, industries and emerging economies (Corrocher and Zirulia, 2004). Hence, many researchers, including Schumpeter (1934), Bozeman, Crow and Link (1984), Lucas, Gibbs and Keen (1988), Ahuja and Lampert (2001), among others, attest to the fact that successful innovation management tends to provide several advantages to creative learning for firms in particular, and the country as a whole; employment, economic growth, wealth creation, creation of value, high corporate performance and competitiveness are some of the key advantages that a firm and the nation can accrue from being innovative.

Equally, the dramatic shift and pitfalls of global economy have had a profound and substantial impact for organizations and industries throughout the world, with those in developing and third-world countries of Africa, Asia and Latin America being among the hardest hit (Zahra, 1996). Markets, consumers, competitors and technology are also constantly changing, thus complicating corporate entrepreneurship for many firms, especially those that are new in the business industry. The situation has been exacerbated by explosive growth in globalization; consequently, organizations have been forced to rethink how they produce and deliver products and services, as stagnation in this environment can easily lead to erosion of market share or quick failure of such organizations (Kemelgor, 2002). Hence, firms - particularly those in turbulent environments - must continually innovate to remain existent and competitive.

The primary aim of this thesis is therefore to examine the prevalence of corporate entrepreneurship, as well as explore the factors that either stimulate or impede corporate entrepreneurship and innovation in firms operating in emerging economies in Africa with a view to develop a conceptual framework that is suitable for entrepreneurial firms in emerging economies.

1.1 Problem statement

Research on what constitutes the entrepreneurial propensity, competencies for innovation management and competiveness in the context of emerging economies in Africa is arguably the least studied in the literature. To the best of the researcher's knowledge, only a limited number of scholars have merely put stress on identifying and examining both individual and contextual factors influencing entrepreneurial firms in emerging economies in Africa. Without proper research specifically focusing on corporate entrepreneurship and innovation management in the context of emerging economies in Africa, it would be very difficult for corporate managers to formulate and enforce effective strategies that are more responsive to the fast-changing business environment, amidst stiff competition and dwindling resources. Since prior research have not paid sufficient attention on investigating the aforementioned antecedents, it is important to gain a deep and thorough understanding on corporate entrepreneurship and what constitutes the innovation practices, and business growth performance from the perspective of internal and external factors. It is thus against this background that the present study is borne in trying to investigate corporate entrepreneurship and innovation management in the context of emerging economies of Africa.

1.2 Objectives of the study

The purpose of this study is to examine the prevalence of corporate entrepreneurship, together with the underlying factors that not only encourage creativity, innovation and entrepreneurship, but also entrepreneurial ownership and orientation. This will be achieved through the following objectives:

1. To discuss the various dimensions of corporate entrepreneurship
2. To examine the relationship between innovation management and corporate performance
3. To determine the main challenges to corporate entrepreneurship and innovation management

1.3 Research questions

The study seeks to answer the following questions:

1. What are the various dimensions of corporate entrepreneurship?
2. What is the relationship between innovation management and corporate performance?
3. What are the main challenges to corporate entrepreneurship and innovation management?

1.4 Significance of the study

The outcomes of the study will be useful to various stakeholders in the business industry, such as entrepreneurs, corporate executives and managers in bringing into the fore the importance of corporate entrepreneurship and innovation management for emerging economies. The study will also be of significance to various policy makers in formulating and implementing laws that will help promote sustainable entrepreneurship among corporates. Furthermore, since this study is based on existing theories of corporate entrepreneurship and innovation management, it will help improve our understanding of the factors that either stimulate or impede corporate entrepreneurship and innovative leadership within the context of emerging economies in Africa. Finally, this research will serve as a source of reference to subsequent researchers and scholars who may want to make further research on the issue of corporate entrepreneurship and innovation management of other emerging or even developed economies in other continents of the world.

1.5 Basic assumptions of the study

This study will be based on a number of assumptions. Some of the assumptions include the following:

1. That corporate entrepreneurship and innovation management is crucial to the growth and development of emerging economies of Africa.

2. That the response and return rate of the research instruments to be used in this study will be sufficient to warrant a credible data analysis process.

3. That conclusions and recommendations to be drawn from the findings of this study will provoke objective decision-making and spur positive action-taking that is aimed at promoting corporate entrepreneurship and innovation management in African and even beyond.

1.6 Limitations of the study

Some respondents may not be available, cooperative or may not give honest responses when filling-in questionnaires: however, this challenge will be overcome by organizing an early identification and familiarization questionnaire to all respective respondents. The researcher also intends to conduct a pilot study to ascertain the reliability and validity of the research instruments to be used before the actual data collection exercise.

The study will rely heavily on the use questionnaires as the main data collection instruments; this might be considered as a limitation since data collection will rely on the written words of the participants, which is sometimes can be asserted as a limited form of communication. It is also not possible to control the attitudes of the respondents.

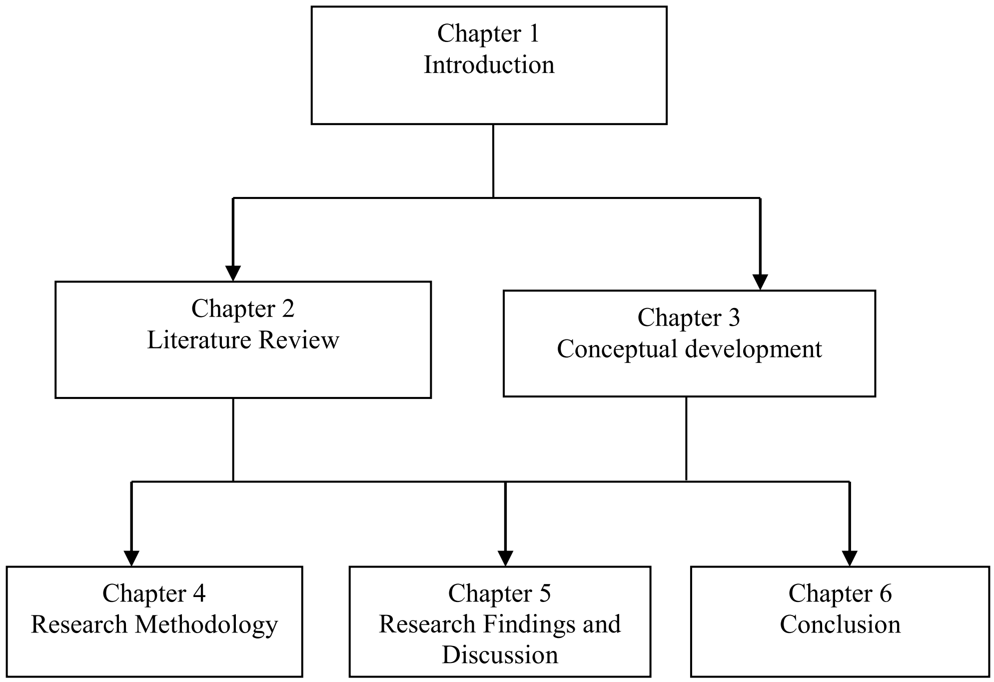
1.7 Scope of the study

The scope of this study will be delimited to investigating the prevalence of corporate entrepreneurship and innovation management, as well as factors that support or impede corporate entrepreneurship and innovation in firms operating in emerging economies in Africa.

1.8 Organization of the study

This thesis comprises of six chapters. Chapter one provides the reader with a brief synopsis or introduction to the research and the research problem. Chapter two presents a detailed description of the literature to be reviewed pertaining corporate entrepreneurship and innovation management. Chapter three describes the conceptual model to be applied by the study. Chapter four presents the methodology to be used to collect data, including the target population, sample size, research instruments and data collection procedures. Chapter five provides a summary of the results or findings of the research. Chapter six, which is the last chapter of the thesis, presents the conclusion of the study based on the research findings in chapter five, together with recommendations for action and suggestions for further studies. This information is represented in figure 1.1 below:

Figure 1.1: Thesis structure



(**Source:** Researcher, 2016).

1.9 Summary

This chapter laid down the foundation of this study: it provided the introduction and the background of the study. The research gap was discussed in the problem statement. The main areas of study were stated in the research objectives and questions were introduced. The chapter also covered the significance of the study, basic assumptions, limitations, scope, and structure of the study. The next chapter, Chapter 2, will present a detailed theoretical framework upon which the entire study will be hinged.

2 THEORETICAL BACKGROUND

2.1 Introduction

A theory can be described as a general body of assumptions and principles used to describe a particular set of facts or some observed phenomenon (Jordan, 2008). According to Whetten (2009), a theory consists primarily of concepts and causal relationships that relate to these concepts. A good theory should be prescriptive, that is, it should reveal how action (in terms of activities and tasks) contributes to the goals and objectives set to it (Koskela, 2000). This chapter reviews various theories upon which the study is anchored.

2.2 Theories of corporate entrepreneurship and innovation management

The corporate exists to satisfy market demands and provide customer value by producing products and services at a higher quality and lower price, rather than just focusing on reducing transaction costs and maximizing profits. (Drucker 1974; Slater 1997). Similarly, Ahlstrom (2010, p.10) argues that the main goal of business is to develop new innovative goods and services that generate economic growth while delivering benefits to society. Firms need to have dissimilar activities (that is, in terms of scale and scope or type) in which they are engaged in so as to sustain business growth performance, and generate and attract new capital for internal expansions and debt and equity markets (Slater, 1997). Thus, a firm with higher business growth performance is likely to have a competitive advantage due to its valuable and unique resources, as well as capabilities in which the sustainability of its competitive advantage depends, majorly depending on its innovative capacity. (Porter 1980; Day & Wensley 1988; Barney 1991; Slater 1996).

This study will adopt the use of the following theories that are considered to be relevant in explaining the aspects of corporate entrepreneurship and innovation management: (1) The Theory of Innovative Enterprises; (2) The Resource-based View; (3) The Contingency Theory of Management; and (4) The Systems Theory of Management.

2.3 The theory of innovative enterprises

According to Slater (1997, p.165), innovation may be concerned with the creation of new businesses within the existing business, or the renewal of ongoing businesses that have become stagnant or in need of transformation. Likewise, Porter (1990) observes that the firm can survive the competitive struggle, not by varying its price and quantity, but by innovating. Lazonick and O'Sullivan (2000) describe the innovative firm or management as one that undertakes the transformation of industrial conditions through productive input resources to generate innovatively useful (high quality) and affordable (low cost) output products and services, compared to the adaptive firm that optimizes conditions to technological and market constraints. The transformation of industrial conditions that the firm faces requires the transformation of organizational conditions of individuals' cognitive condition (knowledge), behavioral condition (motivation and incentive) and strategic condition in the firm, which in turn depends on the control of the individuals with decision-making power to exploit financial commitments and organizational integrations (Teece, 2010). Integrating organizational learning within the firm can further transform cognitive (individual and collective rationality), behavioral (opportunism) and strategic characteristics of individuals in the firm to develop and utilize productive resources and capabilities, and contribute successfully to innovation (Tucker 2002; Drucker 2003).

Furthermore, according to the theory of innovative enterprises, the innovating firm is not concerned with cost increases as such, and is constrained by the market forces to minimize profit outputs in cases where marginal cost is equal to marginal revenue in the long-term (Lazonickand O'Sullivan, 2000). In the short-term, costs may increase due to the transformation of technological and market conditions, but rather than accepting these conditions as constraints on the firm's activities, the innovating firm produces high quality product and service outputs, and declines unit costs, as its market share increases (Laforet and Tann, 2006). The innovating firm thus becomes dominant by transforming industry cost and by competing for market share and prices that are related to the generation of surplus revenues and investment in new technologies (Lazonickand O'Sullivan, 2000). However, this does not rule out the fact that the innovating firm can face fundamental challenges; according to Teece (2010), an innovating firm can find itself continually responding to the challenges of product design, implementation of opportunities, customer-value, and-captured strategies and mechanisms, and not just the coordination to overcome transaction costs. Hence, with such challenges, an innovating firm needs to constantly re-invent itself by developing more responsive and creative strategies and mechanisms, which will ultimately influence its organizational structure, culture, relationship to market and business growth performance (Vanhaverbeke and Peeters, 2005).

2.4 The resource-based view

The resource-based view of a firm suggests that the firm, when operating in changing business and market environments, is required to encompass resources – in terms of capabilities and competencies – and perform tasks efficiently and expeditiously, in order to capture new opportunities and threats, and to meet customer needs, by either morphing existing or creating new ventures (Teece, 2010). Conner (1991, p.122) further argues that the coronation of strategy as a fit between the internal competences of the firm and external opportunities incorporates a resource-based perspective. The resource-based view complements the positioning model and suggests that the firm is a set of tangible and intangible resource assets (Wernerfelt, 1984; Barney, 1991). The theory focuses on how a firm can develop unique capabilities and competencies in the context of a competitive environment (Penrose, 1959; Collis and Montgomery, 1995; Grant, 1996; Aragon-Sanchez and Sanchez-Marin, 2005). In this view, the firm, as a bundle of assets and capabilities, exists to achieve a higher performance and a competitive advantage through utilizing its valuable, relatively scarce and difficult-to-imitate strategic asset - such as intellectual property, knowledge and know-how process, and customer links (Prahalad and Hamel, 1990; Conner, 1991; Teece, Pisano and Shuen, 1997). But the firm might not have access to perfect information, homogenous resources and resources mobility within the industry (Slater, 1997); hence, a firm can be forced to earn payments from leveraging its unique resources, which are difficult to monetize directly via transactions in the immediate market (Wernerfelt, 1984; Teece, 2010).

Hunt and Morgan (1995) have also contributed more specific considerations into the resource-based view, in which heterogeneous, dynamic industry and market demands, imperfect market information, costly information gathering, and strategy and growth performance are influenced by changing environments. The firm is assumed to be heterogeneous having dedicated internal forces, including resources, capabilities and competences, that are acquired and developed through characteristic and path-dependent processes, which are more difficult to duplicate by other firms (Barney, 1995; Blumentritt and Danis, 2006). Thus, innovation capabilities should focus on nurturing and enhancing the firm's internal forces to adapt to changing external market and environment (Neely *et al.*, 2001; Xu*et al.*, 2007; Sirmon *et al.*, 2011). Critics hold that the resource-based view has succeeded to explain the existence, behavioral activity and business performance difference of the firm, but has failed to identify critical resources and capabilities, to explain the process issues which lead to some resources becoming valuable contributors to sustainable competitive advantage, to deal adequately with the issue of complementarity of resources, to explain inside-out outside-in and boundary spanning capabilities, to acknowledge the role of human involvement in assessing and creating value, as well as to explain how to manage resources in ways that sustain competitive advantage (Fahy and Smithee, 1999; Barney, 2001; Priem and Butler, 2001; Foss *et al.*, 2008; Wiengarten *et al.*, 2013).

2.5 The contingency theory of management

According to this theory, the firm operates in turbulent and complex business and market environments, with increasingly intense competition and economic upswing that bring uncertainty (Slater, 1997; Aragon-Sanchez and Sanchez-Marin, 2005; Connaughton and Madsen, 2009; Wang *et al.*, 2013). According to Lutans (2011), a contingency theory or approach to management is based on the theory that management effectiveness is contingent or is dependent upon the interplay between the application of management behaviors and specific situations. In other words, the way you manage should change depending on the circumstances. Hence, this theory is sometimes referred to as 'situational' or 'circumstantial' theory of management. Business and market environments are changing continuously as a result of the internationalization of market economy, the change of demographic and socio-economic magnitudes, the use of information and communication technology, the short product life cycles, the demand of customers, the need of continuous innovations, the global competition and the economic crisis (Cravens and Shipp, 1991;Salavou, Baltas and Lioukas, 2004; Aragon-Sanchez and Sanchez-Marin, 2005), whilst resources are distributed unevenly among firms, and knowledge and technologies are considered to be sources of competitive advantage (Day, 1994; Slater & Narver, 1995; Slater, 1997). According to Laforet and Tann (2006), the challenges might be greater for small and medium firms due to their lack of economies of scale and limited resources, compared to larger firms; but then small and medium firms with their simple internal structure maybe faster at adapting and responding to these emerging challenges in their environments.

Contingency theory therefore seeks to challenge the 'one size fits all approach' to business management. Thus, according to contingency theorists, appropriate managerial action depends on the peculiar nature of every situation or circumstance; hence, rather than seeking for universal principles that apply to every situation, an entrepreneur should attempt to identify contingency or dynamic principles that prescribe actions to take depending on the situation that he/she finds himself/herself in (Morgan, 2007; McAdam and McClelland, 2002a). With the high levels of dynamism and uncertainty in the business environment, it is therefore no longer relevant for the firm to focus on comparative advantage input-costs, but rather on competitive advantages of productive input-uses, which requires continual innovation (Porter, 1998).The changing global environments are also forcing firms, especially SMEs located within the growing economies of Africa, to permanently seek the most competent models and paradigms to maximize their innovation efforts and capacities in order to efficiently serve new and existing customers and markets with new or modified products and services (Ansoff, 1965; Bremand Voigt, 2009). Hence, it is essential to understand the underlying forces behind the firm's dynamics so as to be more innovative.

2.6 The systems theory of management

The Systems Theory of Management is a theory which was developed by Biologist Bertalanffy in 1968. Bertalanffy emphasized that real systems, including organizations and cultures, are open to, and interact with, their environments (Lev and Trumper, 2007). Bertalanffy further held that within a respective system, there are numerous interrelated elements or sub-systems, with each element having its own functions and goals; however, all elements must act as in unity so as to achieve the goals and objectives of the entire system. The systems theory therefore views an organization as a social system consisting of individuals who cooperate within a formal framework, drawing resources, people and finance from their environment, and putting back into that environment products they produce or the services they offer (Rudolf, 2011).

This theory is also based on an approach or notion which teaches that organizations can be visualized as 'systems,' where a system is a set of inter-related parts that operate as a whole in pursuit of common goals (Lev and Trumper, 2007). A similar view is shared by Thompson (2007) who asserts that the systems approach takes the viewpoint that the corporate is an interconnected group of systems which work together to achieve particular goals and objectives of that corporate. He adds that the best way to view the system's theory is by thinking of the firm as a machine. Furthermore, Woodward (2005) argues that according to this theory, every system has four major components: (1) Inputs, which are the various resources required to produce goods and services; (2) Transformation processes, which are the organization managerial and technological abilities that are applied to convert inputs into outputs; (3) Outputs – which are the products, services and other outcomes or end-products produced by the organization; and (4) Feedback, which is information about results and organizational status relative to the environment.

2.7 The innovation management of the firm

Innovation is central to the role of the corporate enterprise in modern society (Teece, 2010, p.724), which is considered to be a central activity that involves the entire firm and conditions its behavior to facilitate value creation of competitive advantage and business performance (Sundbo, 1998; Linder, Jarvenpaa and Davenport, 2003; Rogers, 2003; Cho and Pucik, 2005). Innovation management can be related to the ability of the firm to seek new and better ways to identify, acquire, and implement ideas and tasks that come in different forms – that is, management and administrative systems, internal cultures, processes, products, services, distributing channels and marketing methods segments – within the organization (Slater and Narver, 1995; North and Smallbone 2000; Boer and During, 2001). It can be described as either an invention which may be considered completely new, an improvement of an existing product or system or a diffusion of an existing innovation into a new application (Zhuang, William and Carter, 1999; Dorf and Byers, 2008).

Further, innovation is concerned with the creation of new businesses within the existing business or the renewal of ongoing businesses that have become stagnant or in need of transformation (Slater 1997, p.165). On his part, Haour, (2004, p.1) argues that innovation manifests itself in many different ways and it is very hazardous to predict, both in its timing and in its consequences, which can be envisaged as an incremental innovation – that is, one that exploits existing technology, low uncertainty, and improves competitive advantage within current industry and market; or radical innovation, which explores new technology, high uncertainty, and dramatic change within current or new industry and market (Dewar and Dutton, 1986; Christensen, 2003; Dorf and Byers, 2008; O'Connor *et al.*, 2008).

Other forms of innovation management are based on certain characteristics that are related to competence enhancing, as opposed to competence destroying (Tushman and Anderson, 1986; Berkun, 2007) and technical, as opposed to administrative (Damanpour, 1991; Martinez-Roman, Gamero and Tamayo, 2011; Yam *et al.*, 2011). Innovative capability is considered on different levels and from a broad perspective, depending on a firm's strategy and its market condition (Guan and Ma, 2003; Martinez-Roman, Gamero and Tamayo, 2011), which is related to the firm's capacity to respond properly to changes in the environment (Neely *et al.*, 2001; Akman and Yilmaz, 2008). According to Guan and Ma (2003), innovation allows a firm to adapt to competition and achieve success in the marketplace. This is consistent with the resource-based view in explaining how a firm derives competitive advantage by channeling resources, capabilities and competencies into innovation (Hult, Hurley and Knight. 2004; Martinez-Roman, Gamero and Tamayo, 2011).

It is also an undeniable fact that successful innovation requires exploration of competencies, that is, the capability of the firm to harvest ideas and expertise from different sources (Wolpert, 2003). Systematic innovation can lead to the observation of different sources of innovative opportunities within and/or outside a firm, which is vital to identifying the unexpected (unforeseen opportunity), incongruity (which is opportunity between reality and behavior), industry and market restructures, demographics (change in population and perception), process need, and localized, embedded, and research-based knowledge (Hjalager, 2010; Calantone, Cavusgil and Zhao, 2002; Drucker, 1993).

2.8 Culture and diffusion of innovation

Examination of the innovation literature has found two main research streams: one, research into the influence of organizational cultures, processes and individuals on innovation; and second, research into the diffusion of innovation across organizations and industries (Cromer, Dibrell and Craig, 2011). In the first stream, the internal culture within the firm plays an important role to inspire innovation and give individuals plenty of space to make mistakes, thus creating more opportunities for serendipity and valuable learning (Peebles 2003). Hence, a well-established culture and process of innovation inside the firm becomes a key factor influencing the rate of creation and commercialization of innovation outcomes (Myers and Marquis, 1969; Xu *et al.*, 2007). Therefore, organizational innovation is not only an important form of creating value for the firm in the market, but of capturing it as well (Teece, 2010, p.696). The critical factors to create entrepreneurial and innovation culture inside the firm and how it overcomes the resistance to innovative environment are captured in Table 1.

Table 1 Entrepreneurial and innovation culture factors

Policy	-Innovation preserves and perpetuates organization -Organization needs and its timeframe. -Innovation plan with specific objectives: ▪ Systematic policy of abandoning obsolete things ▪ Free people to innovate and seek new things ▪ Allocate financial resources ▪ Requirements, areas and timeframe.
Managerial Practice	- Focus managerial vision on opportunity (report problem vs. opportunity). -Generate entrepreneurial spirit through entire management group. -Top management meet with junior personnel.
Innovation Performance Measurement	-Feedback from results to expectation in innovative project. -Systematic review and valuation (objectives vs. performance).
Framework	-Includes structure, staffing, compensation, incentives, and rewards. -People to be entrepreneurial and innovative rewarded not penalized. -Separate new unit (innovative project) from old unit. -Assign a special manager for new unit. -Separate and apply different measurement for return-on-investment analysis. -Accountability.
The Don'ts	-Mix managerial units and entrepreneurial units. -Diversify innovation, focus on similar business field. -Acquire small entrepreneurial venture.

(**Source:** Adopted from Drucker, 1993).

Kenny and Reedy (2006) identify four types of attitudes or innovation streams that are needed to exist in the firm's innovative culture in order to succeed and flourish; these are: risk-taking management, members' participation, creativity stimulation and sharing responsibility. Thus, an organizational culture based on innovation must possess a certain level of importance to deal with goal commitment, exemplary behavior, team work approach, client orientation and continuous improvement; and without a shared innovation-oriented culture, it is almost impossible to compete (Deshpande, Farley and Webster, 1993).In the second stream, Rogers (2003, p.5) defines an innovation diffusion as the process by which an innovation is communicated through certain channels overtime among the members of a social system. His innovation diffusion theory has four elements: (1) an innovation that is something perceived; (2) a communication system that is the transmission channel; (3) a social system that is the diffusion process domain; and (4) time that the period extends from the point of innovation awareness to the time of adoption saturation in a social system (Rogers 2003). Adoption includes the entire information gathering, conceptualizing, and planning that leads to the decision to adopt innovation, whereas implementation includes the entire events, actions, and decisions that leads to putting innovation into usage and application. Individuals might be able to identify and decide on innovation with the required changes for adoption, but might not be capable of implementing innovation (Rogers 1995; Carlopio 1998). According to Rogers (1995), there are certain features to be considered for a firm to adopt innovation more rapidly as shown in Table 2.

Table 2 Features (Innovation Streams) for Adopting Innovation

Relative Advantage	Innovation degree perception is better than superseded idea.
Compatibility	Innovation degree perception is consistent with existing values, past experiences, and potential adopters' needs.
Complexity	Innovation degree perception is difficult to understand and use.
Trial-ability	Innovation degree experimentation is with limited basis.
Observe-ability	Innovation results are visible to others.

(**Source:** Rogers, 1995).

According to Miller and Floricel (2004), the diffusion of an innovation process within the firm often requires external attempts to stimulate adoption efforts, which might include the collective redefinition of the industry business model, the development of necessary infrastructure, ecosystem, complementary products, institutional process and the creation of professional firms. The firm's diffusion innovation can be further discussed as the degree to which the firm is relatively earlier in adopting an innovation than other individuals of a social system (Rogers, 2003). Diffusion in innovation also measures the individual entrepreneur's tendency to learn new ideas and keep-up with emerging technologies. Similarly, the concept of diffusion innovation refers to the firm's predisposition to purchase and use new technologies, products and brands, rather than to stick with the pre-existing alternatives (Hofstede. 1991; Venkatraman, 1991). Mahemba and De Bruijn (2003) propose a foundation of adopting innovation that is imitative, acquisitive and incubative, which require different levels of requirements from the firm to be used more effectively. Imitative is the ability to imitate innovation quickly when others develop it. In contrast, acquisitive is the ability to obtain innovation by licensing, acquisition or merger, whilst incubative is the ability to develop own innovation internally or through joint ventures.

2.9 The business model of innovation

Today's changing and competitive business and market environments inspires the firm to rely on innovations to stand out from competitors, create customer value, and accelerate business growth performance (Yanadoriand Cui, 2013). It is therefore crucial for a firm to plan a competitive strategy through innovation by anticipating market trends, customer needs, and competitor actions, which is considered as part of a firm's roadmap and a crucial component of its approach to success and growth (Hamel, 2000; Christensen, 2003; Haour, 2004; Parrilli and Elola, 2011). According to Harvard business review, business innovation model is about delivering products that are produced by existing technologies to existing markets. The model has been also termed as the development of new and inimitable concepts that drive to and support the organization to sustain financial viability. Dorf and Byers (2008, p.103) suggest that the firm seeks to build an innovation strategy that involves new technologies, ideas and creativities that lead to invention and, ultimately, commercialization. The business model consists of four interlocking elements that taken together, can create and deliver value to firms and their customers. These are: key resources, key processes, customer value proposition and profit formula (Dorf & Byers2008; Johnson, Christensen and Kagermann 2008). Lafley and Charan (2008, p.41) further argue that the heart of a company's business model should be game-changing innovation, which is not just the invention of new products and services, but rather the model's ability to systematically convert ideas into new offerings that alter business context, reshape industry and marketplace, and redistribute values that should be based on unique competencies, technologies, or both (Dorf & Byers 2008).

The understanding of innovation model development has evolved overtime. Hargadon and Sutton (2001) describe the best business innovation models as those that make use of old ideas as raw materials for new ideas in a system that is called the 'knowledge-brokering cycle.' The dynamic of the innovation model by William Abernathy in 1974 display the dynamic links between changes in the process and product innovation on one hand, and in the organizational structure on the other hand, which occur in patterns that are observable across industry and market. The innovation business model further takes into consideration marketplace realities and competitive environments, which contain three phases: fluid, transmission and specificity in dealing with innovation dynamics (Utterback 1994). The system includes four parts: capturing good ideas, keeping ideas alive, imagining new uses for old ideas and putting promising concepts to the test. Rothwell (1994) and Xu et al. (2007) define five generations of the innovation model development that have been steadily increasing in efficiency over time. These generations are shown in Table 3.

Table 3 Five Generations of Business Innovation Model

Generations/Phases	**Innovation Models/Main Constitutes**	**Theory Foundation**
First (1950s-1960s)	Individual, process, factors and technology-push	Driving force
Second (1960s-1970s)	Internal resources, promotion, R&D, and market-pull	Newton classical mechanism
Third (1970s-1980s)	Coupling, outsiders involved, and user as innovator	Newton classical mechanism
Fourth (1980s-1990s)	Portfolio, integrated, parallel, and systematic	System theory
Fifth (21st century)	Networked and total innovation management	Ecosystem

(**Source:** Adopted from Rothwell (1994) and Xu *et al.* (2007).

2.10 Summary

The aim of this chapter was to lay a theoretical background to the study topic. A number of theories relating to corporate entrepreneurship and innovation management have been explored, including the theory of innovative enterprises, the resource-based view, the contingency theory of management and the systems theory of management. In addition, the chapter has also paid some attention to exploring the aspects of culture, diffusion and the business model of innovation.

3 CONCEPTUAL DEVELOPMENT

3.1 Introduction

This chapter presents a detailed review of the existing literature on the concepts of corporate entrepreneurship, innovation management and firm performance. A conceptual model upon which the relationship among the various variables under study is established and proposed.

3.2 The concept of corporate entrepreneurship

The concept of corporate entrepreneurship has been studied for over 3 decades. Scientists such as Peterson and Berge (1971), Pinchot (1985), Hanan (1976), were among the first that offered definitions of this concept. According to Zahra (1996), corporate entrepreneurship refers to innovation, venturing and strategic renewal within existing firms. Similarly, Sharma and Chrisman (1999) define corporate entrepreneurship as the process whereby an organization creates new business units or instigates renewal within that organization. Innovation, on the other hand, concerns the development of new products and services (Yiu *et al.*, 2007; Yiu and Lau, 2008). Venturing refers to the birth of new businesses within existing firms by expanding operations in current or new markets (Phan *et al.*, 2009; Bojica and Fuentes, 2012). From the existing literature, many scholars have focused mainly on innovation, corporate venturing (domestic and international) and strategic renewal as the main components of the corporate entrepreneurship construct (Heavey and Simsek, 2013; Heavey *et al.*, 2009; Ling *et al.*, 2008; Romero-Martínez *et al.*, 2010).

In this thesis, innovation, business venturing (whether local and international) and strategic renewal will be considered as the main components of corporate entrepreneurship construct. Though different, these three elements are complementary and mutually supportive; for example, renewing the competitive approach may increase the benefits of venturing activities, whereas new product development may make strategic renewal activities more beneficial (Heavey *et al.*, 2009; Simsek, 2007; Simsek and Heavey, 2011; Simsek *et al.*, 2007). Hence, according to Simsek and Heavey (2011, p. 83), treating individual components of corporate entrepreneurship as independent constructs ignores their potential complementarity. Thus, in line with this approach that is prevalent in most of the existing literature, corporate entrepreneurship will be used as a single meta-construct because it better captures the synergies among the various elements.

3.3 Dimensions or domain of corporate entrepreneurship

Scholars have endeavored to define the corporate entrepreneurship domain over the last few decades. There were initially mixed views on the scope of corporate entrepreneurship as it was not clearly differentiated from the common phenomenon of innovation or new product development in firms (Corbett *et al.*, 2013). Guth and Ginsberg (1990) were among the first scholars attempting to clarify the domain by introducing two categories of corporate entrepreneurial activities, namely business venturing and strategic renewal. For them, business venturing refers to the birth of new business within existing organizations, while strategic renewal is the transformation of organizations through renewal of the key ideas on which they are built (Guth and Ginsberg, 1990, p. 5). Later, Zahra (1996) divided corporate entrepreneurship into three components of innovation, venturing and strategic renewal: Innovation refers to a company's commitment to creating and introducing products, production processes, and organizational systems; venturing means the firm will enter new businesses by expanding operations in existing or new markets; and strategic renewal concerns revitalizing the company's operations by changing the scope of its business, its competitive approach or both (Zahra, 1996, p. 175).

Other scholars have also categorized the domain of corporate entrepreneurship in different ways. However, the categories mostly lie within the three categories conceptualized by Zahra (1996). For instance, Covin and Miles (1999) propose four forms or dimensions of corporate entrepreneurship, i.e., sustained regeneration, organizational rejuvenation, strategic renewal and domain redefinition. According to them, sustained regeneration refers to the continuous introduction of new products, services and new market entrance; organizational rejuvenation is defined as changing internal processes, structures and/or capabilities; strategic renewal means the redefinition of a company's relationship with its markets and industry competitors by fundamentally changing the way it competes, with the aim of repositioning the firm in the market; finally, domain redefinition is related to the creation of a new product-market arena that has not been recognized or actively exploited by other companies (Covin and Miles, 1999; Simsek and Heavey, 2011; Simsek *et al.*, 2009). Kuratko and Audretsch (2009) also add another category to the group named business model reconstruction, which refers to designing or redesigning of a firm's core business model to enhance operational efficiencies or differentiate the company from its competitors in ways valued by the market. Similarly, in their definition of corporate entrepreneurship, Sharma and Chrisman (1999, p. 18) emphasize three main categories – that is, corporate venturing, strategic renewal and innovation in products and services.

3.4 Innovation management and corporate entrepreneurship

Innovation is one of the key dimensions of corporate entrepreneurship and it is at the epicenter of corporate entrepreneurship. According to Lumpkin and Dess (1996), innovation reflects a firm's tendency to engage in and support new ideas, novelty experimentation and creative processes that may result in new products, services or technological processes, and which may take the organization to a new paradigm of success (Swiezczek and Ha, 2003; Clark, 2010; Lumpkin and Dess, 1996). Thus, without innovation, new products, new services and unique ways of doing business would not exist. From an entrepreneur’s perspective, innovation is the key driver of competitive advantage, growth, and profitability (Drucker 1985). Schumpter (1934) was one of the first to point out the importance of innovation in the entrepreneurial process; he considered entrepreneurship to be essentially a creative activity and an entrepreneur to be an innovator who carries out new combinations in the field of men (Human Resources Management), money, material, machine and management. Innovation management, on the other hand, can be described as the introduction of new or significantly improved goods and services, or improved operational, organizational and managerial processes (Trewin 2004). Innovation management is closely aligned with proactive planning, which links creating value and increasing efficiency, and, therefore, growing the value of the business (Zairi 1999; McGrath and Bruce 1998).

For any innovation to be meaningful and productive, it should always be aligned with the market requirements, which pertain producing better products at more competitive prices and at a better fit to customer demand (Drucker, 1985). As Kao (1995a) and Thompson (2003b) rightly observes, starting the right business at the right time requires more than just luck; it requires a structured process of entrepreneurial vision, market research, analysis and balanced decision making; and this is a key aspect of innovation management in corporate entrepreneurship. Likewise, new venture creation is a fundamental activity in innovation management. According to Ronstadt (1984), the foremost step in any corporate entrepreneurial venture creation process is the recognition of the opportunity by the entrepreneur; and opportunity recognition perceives a possibility for new profit potential through the founding and formation of a new enterprise, or through the significant improvement of an existing enterprise (Wickham 2004). Innovative firms have capabilities to monitor the market changes and respond quickly, thus capitalizing on emerging opportunities (Wiklund, 1999).

According to Huse *et al.* (2005), firms operating in turbulent environments are more likely to be innovative, and will be characterized by rapid and frequent new product creation, and high levels of research and development. Ever-changing environments therefore seem to play a crucial role in influencing corporate entrepreneurship in an organization; this is because environmental changes are likely to stimulate firms to innovate by introducing new technologies, new products, service and processes to take advantage of opportunities arising from the dynamic environment (Huse *et al.* 2005).

Environmental change can cause the firm to search for new means to remain competitive, which foster process innovation activities. Innovation management is critical in corporate entrepreneurship, especially for those entrepreneurs operating in emerging economies, since it helps to keep a firm ahead of its competition, thereby gaining a competitive advantage that leads to improved financial results (Wiklund, 1999). Innovation also revises the firm’s knowledge base, allowing it to develop new competitive approaches, which can be exploited in new foreign markets to achieve growth and profitability (Zahra and Garvis, 2000).

3.5 Leadership and corporate entrepreneurship

Leading and managing an entrepreneurial organization is a challenge that requires some distinctive skills and capabilities. Leadership and management are different yet distinct terms, although the skills and competencies associated with each other are complementary: management is concerned with handling complexity in organizational processes and the execution of work; whereas, leadership is concerned with setting direction, communicating and motivating (Romero-Martínez *et al.*, 2010). However, whether large or small, an organization needs to be effectively led and well-managed for optimum performance. According to Burch (1996), good leadership in corporate entrepreneurship is one that endures solutions, as well as understands how to manage dynamic complexities, uncertainties and opportunities. In this rapidly changing global environment, organizations need effective leaders who are capable of understanding situations that are fast-paced and dynamic.

Leadership, depending on how distinctively or narrowly defined it is, has several dimensions and theories related to it. For instance, Bass (1985) developed a taxonomy of transformational, transactional and laissez-faire leadership styles, outlining the multi-dimensional nature of the various styles. The concepts of transformational and transactional leadership have received considerable amount of interest in the leadership literature over the past several years (Avolio and Bass, 2004). These two forms of leadership are not viewed as opposing leadership styles: leaders can be both transformational and transactional (Lowe *et al.*, 1996).

In general, transformational leadership is more effective than transactional leadership (Gardner and Stough, 2002); some researchers have found data supporting the conclusion that transformational leadership is 'superior' to transactional leadership (Bass *et al.*, 2003; Dvir *et al.*, 2002). Transformational leadership is more strongly correlated with higher productivity and performance than transactional leadership (Lowe *et al.*, 1996), higher level of organizational culture (Block, 2003) and higher level of emotional intelligence (Gardner and Stough, 2002). Let us explore further each of these two dimensions of leadership – transformational and transactional leadership styles.

3.6 Transformational leadership

Transformational leadership can be defined as a type of leadership in which interactions among interested parties are organized around a collective purpose in such a way that transforms, motivates and enhances the actions and ethical aspirations of the followers (Simola *et al.*, 2012). Similar views are shared by Geib and Swenson (2013) who hold that transformational leadership is a leadership style that seeks positive transformations in those who follow, and that achieves desired changes through the strategy and structure of the organization.

Transformational leadership is characterized by charisma (that is, idealized influence), inspirational motivation, intellectual stimulation and individualized consideration (Bass, 1990). Transformational leaders integrate creative insight, persistence and sensitivity to the followers; their success lies their ability to offer others something that goes beyond self-interest: they provide others with an inspiring mission and vision, and give them an identity (Geib and Swenson, 2013). According to Nahavandi (2002), the role of a transformational leader is to develop and inspire the subordinate to be more responsible and committed to the challenging goals. These visionary leaders inspire and activate their followers to perform beyond normal procedures; they motivate the members to transcend their self-interests in order to achieve collective objectives (Warrick, 2011).

According to Bass (1990), self-determination and self-confidence characterize transformational leaders. Similarly, transformational leaders are successful at influencing their followers because the followers have trust, admiration, loyalty and respect; and because of these qualities, followers are willing to work harder for the achievement of objectives (Geib and Swenson, 2013). The leader thus can be said to be a model of integrity and fairness, setting clear goals, having high expectations, encouraging people and providing support and recognition, stirring the emotions and passions of people, and getting people to look beyond their own self-interests and reach for higher goals (Warrick, 2011).

Moreover, transformational leaders are able to articulate the organization's common purpose in a way that emphasizes the social dimension of the process: the impact of one individual's actions on the greater group beyond the firm. The vision of the leader thus clearly accentuates the meaningfulness of the consequences of each action for the organization and its stakeholders (Grant, 2010). In so doing, the transformational leader encourages others to adopt the transformation process as their-own and thus allows for the attainment of the targeted transformation. Transformational leaders strive to understand employees' abilities, skills and needs, and offer them coaching and mentoring to overcome any weaknesses. In transformational leadership, both the leader and follower are able to reach a high degree of interconnectedness from which they are able to achieve the desired changes (Burns, 1978).

3.7 Transactional leadership

In line with the conceptualization of the transformational theory, the dichotomy of transactional leadership has also received increased attention in the contexts of corporate leadership. Transactional leadership, also known as managerial leadership, is based on exchanges that occur between leaders and followers (Bass 1985, 1990, 2000, 2008; Burns, 1978).

The baseline of the exchange is one that allows leaders to accomplish their performance objectives, complete required tasks, maintain the current organizational situation, motivate followers through contractual agreement, direct behavior of followers toward achievement of established goals, emphasize extrinsic rewards, avoid unnecessary risks and focus on improving organizational efficiency. According to Schermerhorn *et al.* (2000), the core defining factors of transactional leadership include contingent rewards, active management by exception, passive management by exception and laissez-faire.

These factors can be said to be constructive and corrective behaviors designed to provide rewards for effort and recognize good performance, as well as maintain the status quo, intervene when subordinates do not meet acceptable performance levels and initiates corrective action to improve individual and organizational performance (Jago, 1982).

While the main emphasis of transactional leadership is obtaining results and maintaining the status quo, some scholars argue and criticize it as being a form of leadership that utilizes ‘a one-size-fits-all’ universal approach, which disregards situational and contextual factors related to organizational challenges (Beyer, 1999; Yukl, 1999; 2011; Yukl and Mahsud, 2010), and as merely a system of rewards and penalties that fails to inspire and motivate followers to do anything more than the basics of their jobs. Hence, leaders relying on the transactional style have been accused of excess reliance on coercive - rather than referent - power and of being unwilling to interact with followers, unless the followers have failed to meet expectations and/or follow standards and procedures established by the leader without input from the followers (Bass, 2009).

However empirical evidences show that there are high correlations between transactional leadership and several dimensions of transformational leadership, specifically in the contingent reward system, and that transactional leadership allows followers to fulfill their own self-interest, minimize workplace anxiety and concentrate on clear organizational objectives - such as increased quality, customer service, reduced costs and increased production (Sadeghi and Pihie, 2012). This has contributed to Bass’ (1999) argument that the best leaders are both transformational and transactional.

3.8 Corporate enterprise, innovation management and firm performance

Performance is a widely used concept in many areas. In corporate enterprise management, Wu and Zhao (2009) define a firm’s performance as how well the organization is managed and the value the organization delivers for customers and other stakeholders. Literature on the construct of performance reveals that there is no consensus among the researchers on the appropriate measures of firm performance indicators (Blumentritt and Danis 2006; Akman and Yilmaz, 2008; Teece, 2010). As a result, a wise diversity of performance measures – objective and subjective measures, as well as financial and non-financial measures – are being used across studies, which leads to the higher diversity in the relationship between corporate enterprise and innovation management on one hand, and performance on the other hand (Combs *et al.*, 2005). In this study, both subjective and objective measures of firm performance will be employed for accurate measurement performance (Lumpkin and Dess, 1996; Wiklund and Sherpherd, 2005). In line with this, Mone, McKinley and Barker (1998) that the ability of the firm to better perform and obtain growth within a determined time period can be established by its innovative capabilities (Hurley andHult, 1998; Cooper, 2000). However, this relationship is interdependent and mutually reinforced (North and Smallbone, 2000). Normann and Ramirez (1993) also recognize that adopting innovation as a strategy is a key to create value and to improve business growth performance that allows firms to identify opportunities for bringing values, in terms of better products or services, to customers and to deliver these values at a profit in the marketplace.

Innovation management and its importance are also recognized to have a positive impact on the general economic development, competitive advantage and business growth performance of a firm (Heunks, 1998; Parrilli and Elola, 2011; Francis *et al.*, 2012). Miller and Floricel (2004) argue that a firm is able to achieve a high level of business performance by adapting capabilities and practices to the different requirements of value creation and innovation – that is, competitive and technological contexts – in which it has selected to compete. Sharing a similar view, Keskin (2006) argues that innovation practices of corporate enterprises positively affect their business growth performance, irrespective of the market turbulences in which they operate (Sirelli, 2000).

Thus, success and/or failure in innovation should be viewed as a necessary, but not sufficient, condition for business performance and growth in firms (Hult, Hurley and Knight, 2004). Similarly, the link between innovation and performance has been a central issue in the literature. This can be traced back to Schumpeter (1934) who looked at economic development as a process of quantitative changes, driven by innovation (Fagerberg *et al.*, 2005); other literature has also emphasized on the importance of innovation management in corporate performance (Deshpande *et al.*, 1993). Possible profits make firms willing to undertake the risks connected with innovation, and sometimes firms even choose to cooperate in order to cope with the challenges of innovation. For instance, recent research applied to the forest products industry in the US has shown a positive relationship between innovativeness and performance (Knowles *et al.*, 2007; Crespell and Hansen, 2008; Crespell, 2007).

Gronhaug and Kaufmann (1988) have also linked innovativeness and innovative management styles to positive organizational performance; they argue that firms must be innovative and creative enough to gain a competitive edge in order to survive and grow. Additionally, the diffusion literature has documented the importance of innovation in organizations (Rogers, 2003). Other literature has also shown a link between corporate entrepreneurship, innovativeness and a firm's performance (Han *et al.*, 1998; Senge and Carstedt 2001; Slater 1997).

3.9 Challenges to corporate entrepreneurship

One of the main challenges that most firms encounter in undertaking corporate entrepreneurship is generating new knowledge to do different things or things differently (Zahra *et al.*, 2009; Heavey *et al.*, 2009; Teng, 2007). Corporate entrepreneurship relies heavily on new knowledge for doing things differently, or doing different things, manifesting in the forms of innovation in products and services, processes, systems, strategies and markets (Teng, 2007). Scholars have traditionally focused on internal development of knowledge (Brouwer *et al.*, 1993; Hoskisson and Hitt, 1988); however, internal development of new knowledge is accompanied by high resource and development expenses, and high levels of risk and timing issues (Eisenhardt and Schoonhoven, 1996; Teng, 2007).

Recently scholars have suggested sourcing new knowledge from other players in the market - such as suppliers of raw materials, service providers, customers, research centers and competitors - as a complementary and effective approach for companies pursuing corporate entrepreneurship (Simsek *et al.*, 2003; Teng, 2007; Zahra *et al.*, 2009). This research stream, which has recently gained more prominence, posits that innovative activities are mainly a function of firms' capabilities to effectively combine internal and external knowledge resources (Chesbrough, 2003; Grant, 1996; Kogut & Zander, 1992). Increased competition, rapidly changing technology and changing customer expectations are other key challenges facing corporate entrepreneurship, which have caused the innovation process to become more complex and uncertain (Simsek and Heavey, 2011; Yiu and Lau, 2008). Amidst all these challenges, Rhinesmith (1993) therefore advises that there is need for corporate entrepreneurs to develop a 'global mindset'; he states that people with global mindset approach the world of business and economics in a number of particular ways by looking at the big picture through multiple possibilities to understand the complexities and ambiguities of the changing world, and through becoming process and diversity-oriented leaders.

3.10 Conceptual model

Mugenda and Mugenda (2003) define a conceptual framework as a graphical or diagrammatic representation of the relationships among various variables under study. A conceptual framework is very useful in research since it helps the researcher and readers to identify the relationship between various proposed variables easily and quickly. It also helps to capture and summarize, in a diagrammatic form, the research topic and objectives. In this study, the researcher has adopted the model indicated in Figure 1, considering the variables under study.

Figure 1 Conceptual framework

Independent variables	**Intervening variables**	**Dependent variables**
1. Corporate Entrepreneurship: ▪ Sustained regeneration; ▪ Organizational rejuvenation; ▪ Strategic renewal; ▪ Domain redefinition. 2. Innovation Management: ▪ New ideas; ▪ Novelty experimentation; ▪ Creative processes; etc	External factors: ▪ International politics; ▪ Legislation; ▪ Macro-economy; ▪ Technological changes; etc. Internal Factors: ▪ Organizational structure; ▪ Culture; ▪ Policies; ▪ Managing change; etc.	A well-performing, competitive and sustainable firm: ▪ High levels of profitability; ▪ Well-motivated workforce; ▪ Strong and effective management; ▪ Strategic resource allocation; ▪ Efficient use of resources; etc. ▪ Managing change; etc.

(**Source:** Researcher, 2016).

3.11 Explanation of relationships of variables in the conceptual framework

From Figure 1, the selected independent variables, together with their parameters, are as follows: (1) Corporate Entrepreneurship: Sustained regeneration; organizational rejuvenation; and strategic renewal; and (2) Innovation Management: New ideas; novelty experimentation; and creative processes. On the other hand, the identified dependent variable will be 'a well-performing, competitive and sustainable firm.' The dependent variable will be measured using indicators such as: high levels of profitability; a well-motivated workforce; strong and effective management; strategic resource allocation; and efficient use of resources. Intervening variables have also been included by the researcher to 'check' the relationship between the independent variables and the dependent variable. The inclusion of these variables is useful in any scientific research since it helps to underscore the fact that besides the stated independent variables, there could be other variables or factors that can affect or influence the performance of a firm. Intervening variables have also been included so as to help rid the study of any assumptions or drawing of subjective, one-sided conclusions that are based on the independent variables only, hence making the study findings and conclusions more objective and reliable. The selected intervening variables, and their indicators, are as follows: (1) External factors: International politics; legislations; macro-economy; and technological changes; and (2) Internal factors: Organizational structure; culture; policies; and managing change.

3.12 Summary

The aim of this chapter was to develop a conceptual model for the study. Corporate entrepreneurship, as a concept, has been explored in details. The chapter has also provided an in-depth study of the various dimensions of corporate entrepreneurship. The relationship between innovation management, leadership, corporate entrepreneurship and firm performance has also been discussed. In addition, various challenges facing the field of corporate entrepreneurship have also been highlighted. Lastly, the chapter has provided a conceptual model upon which the relationship among the various variables under study has been illustrated diagrammatically.

4 RESEARCH DESIGN AND METHEDOLOGY

4.1 Introduction

This chapter describes the research design used in the study, target population, sample size and sampling procedures, description of research instruments, data analysis and presentation techniques, and ethical issues.

4.2 Research design

Cooper (2003) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. Similar views are shared by Barton (2001), who defines a research design as the structure of the research, the 'glue' that holds all the elements in a research project together. The research design therefore forms the structure of research. There are two basic, fundamental types of research, that is, quantitative and qualitative research (Creswell, 2005; Patten, 2009). Broadly defined, qualitative research means any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification (Strauss and Corbin, 1990). Quantitative research, on the other hand, places a great deal of emphasis on statistical objectivity, mathematical or numerical analysis of data collected through polls, questionnaires and surveys, or by manipulating pre-existing statistical data using computational techniques.

According to Cooper (2003), these two research methods could be used together in the same study; however, both methods represent different ends and therefore the decision to use quantitative or qualitative research method rests primarily on the researcher's choice, nature of the study and questions being asked in the research (Kothari, 2008; Barton, 2001). Qualitative research is multi-method in its focus, involving an interpretive, naturalistic approach to its subject matter (Gay, Mills and Airasian, 2006), and it seek in a naturalistic approach to understand a phenomena of interest in a context-specific setting (Patton, 2001). In quantitative research, the researcher's role is to observe and measure; and care is taken to keep the researchers from 'contaminating' the data through personal involvement with the research subject. Thus, the researcher's objectivity is of utmost concern (Glesne and Peshkin, 1992). This study will therefore use both quantitative and qualitative research methods.

4.3 Target population

A target population can be defined as any set of persons or objects that possesses some common characteristic or characteristics to which researchers are interested in generalizing the conclusions (Barton, 2001). It can also be said to be a well-defined set of people, services, elements, events, group of things or households that are being investigated (Miles and Huberman, 2004).

A target population is very significant in research, since it provides a solid foundation and first step upon which to build population validity of the study (Gall, Borg and Gall, 2003). A similar view is shared by Barton (2001) who holds that any scientific research targets a given population, through which questionnaires, interview guides, focused group discussions or observation guides are distributed so as to get the desired or the required data for analysis.

The target population for this study will consist of the top ten (10) countries that have been listed as ‘Africa’s Top 10 Fastest Growing Economies’ by the World Bank and IFC’S Ease of Doing Business Survey of 2012 (KPMG, 2014). According to this survey, these countries are: Mauritius, South Africa, Rwanda, Botswana, Ghana, Seychelles, Namibia, Zambia, Uganda and Kenya. The criteria used by the Word Bank in forming this list consisted of the following factors: the availability of electricity; how easy it is to register property; what investor protection mechanisms are available; what taxes are involved; how effectively contracts are enforced; how insolvency is resolved; whether construction permits are difficult to obtain; stability or nature of democratic political climates; whether the governments have established functioning free markets; if the country offers large potential market due to its population; what raw material are available and ease of access; whether there is abundant and inexpensive labor force; and other intricacies involved in starting a business and employing workers. Kenya, being one of the top ten countries in Africa with the fastest growing economy, will be selected as the case for this study. Chief executive officers (CEOs) of state-run corporations in Kenya will be the target population of the study. Currently, there are 77 state corporations that are listed under the Kenya Gazette, which is the official Kenyan Government newspaper publication (Muriuki, 2015).

4.4 Sample size and sampling techniques

4.5 Sample size

A sample can be defined as a smaller group, sub-group or sub-set obtained from the accessible population and carefully selected to be representative of the entire population, with the relevant or desired characteristics (Mugenda and Mugenda, 2003). Currently, there are 77 registered state corporations in Kenya (Muriuki, 2015). These corporations have been gazetted in the Kenyan Government’s official newspaper, Kenya Gazette. Using Yamane’s (1967) formula for calculating samples, the sample size for this study will therefore be as follows:

$$n = \frac{N}{1 + N(e^2)}$$

Where:

n = sample size;

N = total population (which, in our case, is 77);

e = margin of error or level of precision of 5 percentage points (hence, 0.05).

$$\text{Therefore, } n = \frac{77}{1 + 77(0.05^2)} = 65 \text{ (approximately).}$$

Thus, the sample size of respondents for this study will be 65 CEOs. Each of these CEOs will be provided with a structured questionnaire with easy-to-fill-in questions to respond to. The information illustrating the target population and sample size is contained in Table 4.

Table 4 Target population and sample size.

Target Population	Sample Size
77	65

4.6 Sampling technique

Sampling refers to the process of selecting a portion of the population that conforms to a designated set of specifications to be studied (Miles and Huberman, 2004). Sampling is important in research since it is extremely expensive, time-consuming and nearly impossible to collect data from all members of the target population. According to Owens (2002), sampling also allows the researcher to draw generalization about the target population, as well as to reduce research bias. Similar views are shared by Creswell (2004) who holds that sampling is key in research since it helps to increase the reliability of the information to be collected during field work.

This study will use purposive sampling technique, whereby 65 CEOs of corporations that were ranked as being the best performing and most entrepreneurial state corporations in Kenya by the Kenya Gazette in the year 2015 will be selected (Muriuki, 2015). In order for purposive sampling technique to be effective, early identification and selection of respondents will be done during the pilot study. However, the use of simple disproportionate sampling will be considered alongside purposive sampling in cases where the selected sample with greater variation may have a fairly higher number of representatives.

4.7 Description of research instruments

4.8 Piloting the instruments

This study will use of a structured questionnaire as the data collection instrument. The selection of this research instrument has been informed by the nature of the data to be collected, that is, both quantitative and qualitative data, time availability, as well as the objectives to be achieved. A pilot study will be conducted at the selected state corporations at least a week before the actual day of data collection to test the validity and reliability of the research instrument chosen.

4.9 Validity of the study

Validity determines whether the results obtained meet and encompass all steps of the scientific research method. According to Saunders et al. (2009) there are three types of validity; construct, internal and external validity. Construct validity refers to the extent of ensuring that the research measurements are measuring what is intended to be measured. Whereas, internal validity is concerned with the demonstration of a causal relationship between two variables within the study, while external validity on the other hand is concerned with the generalizability of the study and how applicable the findings are to other related settings or group. Content validity is provided by adequate coverage of investigation questions guiding the study (Cooper & Schindler, 2003). The average content validity Index (CVI) formula will be used to capture adequate and representative sets of items taped the content.

$$\text{Content validity index} = \frac{\text{Number of items declared valid}}{\text{Total number of items}}$$

4.10 Reliability of the study

According to Joppe (2000), reliability refers to the extent in which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.

Reliability has been defined as the degree to which items within a test relate to each other. According to Nachmias and Nachmias (2004), an instrument is reliable when it measures a variable accurately and consistently and produces the same results under the same conditions over time. The idea behind reliability is that any significant result must be more than a one-off finding and be inherently repeatable.

It is basically the ability of a test to measure what it is supposed to measure consistently. The reliability of an instrument usually varies from 0.00 to 1.00 with 1.00 indicating perfect reliability while 0.00 indicates lack of it. The reliability coefficient reflects the extent to which a test is free of error of variance. The closer the reliability co-efficient is to the value of 1.00, the more the test is free of error of variance and is a measure of the true difference among persons in the dimension assessed by the test. The researcher will determine reliability of the instruments by using the internal consistency approach. In this way, a single test will be administered to the pilot group and the results for internal consistency among the instruments items will be determined by use of Cronbach alpha coefficient. A reliability value of greater than 0.7 will be considered ideal to warrant the use of the instrument (Cronbach, 2004). Similarly, Cronbach agrees with George and Mallery, (2003) that a score of more than 0.7 is assumed to reflect acceptable reliability.

For Cronbach's alpha, alpha value above 0.70 is generally considered acceptable for existing scales. All scales in this study exhibit good reliability.

Table 5 Cronbach's Alpha reliability coefficient table

Cronbach's alpha	**Internal consistency**
$\alpha \geq 0.9$	Excellent (High-Stakes testing)
$0.7 \leq \alpha < 0.9$	Good (Low-Stakes testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

(**Source**: Nunnaly, (1978)

Therefore, to widen up the optimal conceptualization of this dissertation, this study illuminates the quality, accuracy, dependability, and credibility of the data and information collected through the review and reflection of both reliability and validity procedures.

4.11 Data collection procedures

Data collection refers to method in which a study will source for data and information that will be used to answer the research questions of a study (Barton, 2001). According to Kothari (2008) and Mugenda and Mugenda (2003), there are two techniques of collecting data: primary data collection technique and secondary data collection technique. Primary data collection method is whereby data is used for the original purpose for which it was collected through the use of questionnaires, observations and interviews. Secondary data, on the other hand, implies data used for other purposes other than that for which it was originally collected using articles, books, journals, institutional reports and newspapers in the form of literature review.

This study will make use of primary data collection technique; whereby primary data will be collected through the administration of structured questionnaires. According to Kothari (2008), the use of questionnaires allows for large amount of data to be collected within a shorter time. Questionnaires also cover a wider geographical area, are straightforward and are less time-consuming (Mugenda and Mugenda, 2003).

The questionnaires will be divided into various sections and sub-sections to adequately cover the objectives of the study and promote ease of comprehensibility. The questionnaires will be used to collect data from 77 CEOs of selected top performing state corporations in Kenya. The questionnaires will be designed to include both closed or standardized and open-ended questions, although with a bias for closed-ended questions. According to Gall, Borg and Gall (2003), the use of standardized questions helps to ensure more precise and accurate responses, thus promoting the reliability of the data collection instruments used and the issues under study. The researcher will also use Likert 5-point scale. Early notification of the respondents will be made before the actual day of collecting data.

4.12 Data analysis and presentation techniques

Data will be collected and analyzed using both quantitative and qualitative analyses methods. SPSS will be used to analyze quantitative data, which will then be presented in form of frequency distribution tables, charts and graphs. This will be achieved through the coding and tallying up of responses, computing of percentages of variations in response, and describing and interpreting the data results in line with the research objectives and assumptions. According to Mugenda and Mugenda (2003), the use of SPSS to analyze quantitative data serves as the best comprehensive and integrated means of collection of computer program for managing, analyzing and displaying of such data.

Qualitative analysis, on the other hand, will be used to analyze qualitative data. This will be achieved through the use of thematic grouping and content analysis. The findings of this analysis will be presented in narration or generalized statement form, whereby those responses that carry the greatest weight regarding the issues enquired about will be mentioned.

Consequently, a multivariate analysis will be conducted to establish and predict the linear relationship between the independent and dependent variables by adopting the following regression model: $Y = F(X_1 \& X_2)$

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Where:

Y= Innovation Management

β_0 = Constant term

β_i = regression coefficients (i = 1 & 2)

X_1 = Corporate Entrepreneurship: Sustained regeneration; organizational rejuvenation; and strategic renewal;

X_2 = Innovation Management: New ideas; novelty experimentation; and creative processes.

ε = Error term

According to Miles and Huberman (2004), linking qualitative and quantitative data analyses techniques strengthens the overall research design, as well as the interpretation of the findings. Similar views are shared by Creswell (2004) who maintains that combining both qualitative and quantitative approaches to data analysis helps to ensure that any bias inherent in particular data sources and methods would be neutralized when used in conjunction with other data sources and methods, hence, promoting objectivity and reliability of the study.

4.13 Ethical issues

Ethical consideration is key in research, since it helps to ensure that no one suffers harm or undesirable consequences as a result of the research activities. Due to the normally sensitive relationships between the researcher, or a team of researchers, and the respondents, reasonable safeguards will be built during the study that are based on appropriate ethical requirements and measures.

Key among these will be:

1. Seeking for consent from the respondents and clearly informing them about the aim of the study;

2. Promoting anonymity and confidentiality of the respondents by encouraging them not to mention or write their names when filling-in the questionnaires;

3. Using the collected data purely for academic purposes;

4. Avoiding to manipulate the field data during the analysis and presentation phases; and

5. Committing to share the findings and recommendations of the study with the interested parties, including the staff and management of the selected state corporations.

4.14 Summary

The aim of this chapter was to discuss the design and methodology to be used by the researcher to collect, analyze, present and interpret field data. Some of the main sub-topics of the chapter included research design used in the study, target population, sample size and sampling procedures, description of research instruments, data analysis and presentation techniques, and ethical issues.

5 DATA ANALYSIS, INTERPRETATIONS AND PRESENTATIONS

5.1 Introduction

This chapter discusses the interpretation and presentation of the findings obtained from the field. The chapter presents the background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive and inferential statistics have been used to discuss the findings of the study.

Table 6 *Response rate*

	Questionnaires Administered	Questionnaires filled & Returned	Percentage
Respondents	69	58	91.3

The study targeted a sample size of 69 respondents from which 58 filled in and returned the questionnaires making a response rate of 91.3 %. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent.

5.2 Background data

The study sought to establish the background information of the respondents including respondents' gender, and period of service

5.3 Gender distribution

The research sought to determine the gender distribution across the study population. This was done in view of ensuring fairness in uptake of respondents' opinions, and alleviates the probability of study findings suffering from gender biasness.

Table 7 *Gender*

Gender	Frequency	Percentage
Male	35	60.3
Female	23	39.7
Total	58	100

Investigation on gender category showed that majority of the respondents as showed 39.7% were males whereas 60.3% of the respondent was females. This implied that both genders were fairly engaged in this research and thus the study findings did not suffer from gender bias.

5.4 Period of service

Employees' period of service in an organization is associated with gained experience especially on organizational internal process, therefore determining CEO's period of service was crucial based on the perception that experienced employees had deeper understanding on organizational internal operational processes

Table 8 *Period of service*

Period	**Frequency**	**Percentage**
Less than a year		
1-2 year	8	13.8
2-3 years	20	34.5
More than 3 years	30	51.7
Total	**58**	**100**

Table 8 shows the period each CEO had served/worked in the corporate. From the research findings, majority of the respondents as shown by 51.7 % indicated to have served the corporate as CEO for More than 3 years, 34.5% of the respondents indicated to have served the corporate as CEO for a period of 2-3 years whereas 13.8 % of the respondents indicated to have served the corporate as CEO for a period of 1-2 year. This implies that majority of the respondents had served the corporate for a considerable period of which implies that they were in a position to give credible information relating to this study. The study further revealed that corporates engaged in this research specialized in agriculture, automobiles and accessories banking commercial and services construction, energy and petroleum, insurance investment services, manufacturing and allied telecommunication and technology.

5.5 Corporate performance

The research sought to establish whether the aspect of performance was clearly defined in the corporates policy. From the research findings majority of the respondents as shown by 84.5% indicated that the aspect of performance was clearly defined in the corporates policy whereas15.5% of the respondents were of the contrary opinion. This implies that most of the corporates had the aspect of performance clearly defined in the corporates policy. CEOs also reported that most of the corporates had written business policy that communicates the company's expectations about appropriate employee work performance. The Policy illustrated the acceptable performance boundaries while simultaneously addressing the employees' needs.

Table 9 *Whether the aspect of performance was clearly defined in corporation's policy.*

Opinion	Frequency	Percentage
Yes	49	84.5
No	9	15.5
Total	**58**	**100**

5.6 Corporate objectives and goals on entrepreneurship

The study sought to determine whether the corporate objective and goals were based on entrepreneurship, from the research findings all the respondents as response rate indicated that the corporate mission, objective and goals were entrepreneurially motivated. Further the study noted that corporate goals typically reflected a commitment to improve existing operations. This includes striving for excellence, demonstrating corporate commitment to the community, demonstrating a commitment to the workforce and that the goal statement usually included details about the business and aligned its actions with the company mission and values.

Table 10 *Whether the Corporate objective and goals were based on entrepreneurship.*

Opinion	Frequency	Percentage
Yes	58	100
Total	**58**	**100**

5.7 Corporate involvement in sustained regeneration

The study sought to determine whether the corporate was involved in sustained regeneration, from the research findings, majority of the respondents as shown by 74.1% agreed that the corporate was involved in sustained regeneration whereas 25.9% of the respondents indicated otherwise. This implies that most of the corporates were involved in sustained regeneration like continuous introduction of new products, services and new market entrance.

Relating to measures adopted to ensure sustained regeneration, majority of the CEOs reported that the corporate was using knowledge as a means of developing sources of advantage similar to those described in the market orientation and absorptive capacity literatures. It describes a driven effort to utilize knowledge through innovation.

Table 11 *Whether the corporate was involved in sustained regeneration*

Opinion	Frequency	Percentage
Yes	43	74.1
No	15	25.9
Total	**58**	**100**

5.8 Corporate practice of organizational rejuvenation

The study sought to determine whether the corporate practice organizational rejuvenation, from the research findings, majority of the respondents as shown by 79.3% agreed that the corporate practice organizational rejuvenation whereas 20.7% of the respondents indicated otherwise. This implies that most of the corporate practiced organizational rejuvenation like changing of internal processes, structures and/or capabilities in view of enhancing service delivery. Relating to practice of organizational rejuvenation, majority of the CEOs reported that most the corporate had a rejuvenation strategy in place that sought enhance innovativeness and performance of employees by altering their existing internal processes and structures. CEOs reported that most corporates had restructured the workforce into self-managed teams; most organizations also encouraged team members to take ownership of their work. Self-managed teams were more likely to take risks and try new and innovative ways to meet customer needs. Encouragement of team work enhanced creativity which was positively related to team performance.

Table 12 *Whether the corporate practice organizational rejuvenation*

Opinion	**Frequency**	**Percentage**
Yes	46	79.3
No	12	20.7
Total	**58**	**100**

5.9 Corporate involvement in strategic renewal

The study sought to determine whether the corporate was involved in strategic renewal, that is the redefinition of the organization’s relationship with its markets and industry competitors by fundamentally changing the way it competes, with the aim of repositioning the firm in the market – as a means of responding to the changing times? Majority of the respondents, 89.7% as shown by agreed that corporate was involved in strategic renewal whereas 10.3% of the respondents indicated otherwise. This implies that most of the corporate were involved in strategic renewal in view of enhancing organization relationship with its markets and performance. Relating to strategic renewal, majority of the CEOs reported that the management periodically analyzed the existing structures within the organization. This examination sometimes led to closure of some divisions, a development of new markets/ projects or an expansion in other business areas. Strategic renewals sometimes lead to consequences within a firm, like the removal of efficient routines or resources.

On the other hand, there are innovative core competencies implemented, which conclude in an increase of knowledge and a stabilization of the company value.

Table 13 *Whether corporate in involved in strategic renewal*

Opinion	Frequency	Percentage
Yes	52	89.7
No	6	10.3
Total	**58**	**100**

5.10 Corporate policies towards creation of new product-market

The study sought to determine whether the corporate had clear policies outlining creation of a new product-market arena that has not been recognized or actively exploited by other organizations, from the research findings, majority of the respondents as shown by 69.0% agreed that the corporate had clear policies outlining creation of a new product-market arena that has not been recognized or actively exploited by other organizations whereas 31.0% of the respondents indicated otherwise. This implies that most of the corporates had clear policies outlining creation of a new product-market arena that has not been recognized or actively exploited by other organizations.

Table 14 *Whether corporate had clear policies outlining creation of new product-market*

Opinion	Frequency	Percentage
Yes	40	69.0
No	18	31.0
Total	**58**	**100**

5.11 Corporate innovative management

The study sought to determine whether the corporates had highly innovative management, from the research findings, majority of the respondents as shown by 72.4% agreed that the corporates had highly innovative management whereas 27.6% of the respondents indicated otherwise. This implies that most of the corporates had highly innovative management.

Table 15 *Whether corporates have highly innovative management*

Opinion	Frequency	Percentage
Yes	42	72.4
No	16	27.6
Total	**58**	**100**

5.12 Leadership influence on CE and innovation management.

The study sought to determine whether leadership has an influence on corporate entrepreneurship and innovation management, from the research findings, majority of the respondents as shown by 82.8% agreed that the leadership has influence on corporate entrepreneurship and innovation management whereas 17.2% of the respondents indicated otherwise. This implies that corporates' leadership influences its entrepreneurship and innovation management

The study also revealed that the primary tasks of the business leader are to foster an environment in which entrepreneurial thinking is encouraged and readily takes places. promoting this culture by freely encouraging creativity (and thereby innovation), business leaders motivated toward corporate entrepreneurship must continuously strive to exude and build trust, embracing the risk to fail and inspiring those around them to take similar calculated risks.

Table 16 *Whether corporate leadership has influence on corporate entrepreneurship and innovation management*

Opinion	Frequency	Percentage
Yes	48	82.8
No	10	17.2
Total	**58**	**100**

5.13 Challenges of corporate entrepreneurship and innovation

The study sought to determine whether the corporate faced challenges in effort to move towards being more entrepreneurial and innovative in its operations, from the research findings, majority of the respondents as shown by 75.9% agreed that the corporate faced challenges in effort to move towards being more entrepreneurial and innovative in its operations whereas 24.1% of the respondents indicated otherwise. This implies that the corporates faced challenges in effort to move towards being more entrepreneurial and innovative in their operations. The study noted that most of the corporates lacked a clear mission, objectives and goal of what corporates want to achieve and have lacked quantifiable measures of corporate culture due to the unwillingness of senior management to accept new innovative ideas and thus bureaucratic organizational structures presented challenges to corporate entrepreneurship.

Table 17 *Whether the corporate faced challenges in its pursuit of being more entrepreneurial and innovative.*

Opinion	Frequency	Percentage
Yes	44	75.9
No	14	24.1
Total	**58**	**100**

5.14 Organizational structure

The study sought to determine the extent to which respondents agreed with the below statements. According to the findings majority of the respondents agreed to a large extent that development of new ideas, novelty experimentation and use of creative processes are important in achieving high level corporate entrepreneurship and performance as shown by a mean of 4.50. Similarly, majority of the respondents have also deemed strategic renewal and sustained regeneration as a vital ingredient to attaining sustainable corporate performance as shown by a mean of 4.48 in each case, whereas leadership and organizational rejuvenation was perceived as highly important as of other aspects as shown by a mean of 4.39 and the later by a mean of 4.32. Respondents also indicated to a large extent that they face a number of challenges in terms of successfully realizing corporate entrepreneurship and managing innovation and performance goals as shown by a mean of 4.38 in each case. The findings are in support of the literature by Burch (1996), that good leadership in corporate entrepreneurship is one that endures solutions, understands how to manage dynamic complexities, uncertainties and opportunities.

Table 18 *Statement relating to organizational structure*

Statement	Very Low Extent	Low Extent	Neutral	Large Extent	Very Large Extent	Mean	Std deviation
• Sustained regeneration, as an aspect of corporate entrepreneurship, is important in attaining corporate performance.	0	0	3	33	22	4.48	0.24
• Organizational rejuvenation is key to a firm's corporate entrepreneurship and performance.	1	1	2	37	17	4.32	0.25
• Strategic renewal is a vital ingredient to achieving corporate entrepreneurship, innovation management and performance.	0	2	0	33	23	4.48	0.24
• Domain redefinition is a significant element of a firm's corporate entrepreneurship and in the realization of corporate performance.	0	1	2	38	17	4.38	0.26
• Development of new ideas, novelty experimentation and use of creative processes are important in achieving innovation management and corporate performance.	0	2	1	30	25	4.50	0.23
• Leadership is important in achieving corporate entrepreneurship, innovation management and corporate performance.	0	1	3	35	19	4.39	0.24
• There are a number of challenges in realizing a corporate's entrepreneurship, innovation management and performance goals.	0	0	3	39	16	4.38	0.26

5.15 External factors in attaining corporate performance

The study sought to determine whether besides entrepreneurship and innovation management, external factors (such as international legislation, national politics, macro-economic forces and technological changes) are important to attaining corporate performance, from the research findings, majority of the respondents as shown by 67.2.8% agreed that besides entrepreneurship and innovation management, external factors (such as international legislation, national politics, macro-economic forces and technological changes) have significant importance to attaining corporate performance whereas 32.8% of the respondents indicated otherwise. This infers that both national and international legislations and politics as well as macro-economic forces and technological changes hold a great deal of enormity in accomplishing corporate performance.

Table 19 *Role of external factors in attaining corporate performance*

Opinion	Frequency	Percentage
Yes	39	67.2
No	19	32.8
Total	**58**	**100**

5.16 Organizational structure, culture, policies and change management

The study sought also to determine whether organizational structure, organizational culture, policies and management of change as a whole were critical in the achievement of corporate performance. Majority of the respondents as shown by 94.8% agreed that organizational structure, culture, policies and management of change were critical in the achievement of corporate performance whereas 5.2% of the respondents indicated otherwise. This implies that organizational structure and culture, policies and management of change play critical role in the achievement of corporate performance.

Table 20 *Role of organizational structure, culture, policies and change in management.*

Opinion	Frequency	Percentage
Yes	55	94.8
No	3	5.2
Total	**58**	**100**

5.17 Impact of internal and external factors to corporate performance

The study sought to determine the extent to which respondents agreed in relation with the below statements. Majority of the respondents agreed that apart from being entrepreneurial and innovative, internal (organizational) factors (such as the structure and policies) are critical for the realization of corporate performance as shown by a mean of 4.25 and that other external factors (such as politics and legislation) are important in attaining corporate performance as shown by a mean of 4.20. The study also established that government economic policy and market regulations have an influence on the competitiveness and profitability of businesses – government policy will always depend on the political culture of the moment. Policy crafted in a politically stable country will be different than that formed in an unstable country. A stable political system can make business-friendly decisions that promote local businesses and attract foreign investors. Unstable systems present challenges that jeopardize the ability of government to maintain law and order. This has a negative effect on the business environment.

The study also noted that government policies can influence interest rates, e.g. a rise which increases the cost of borrowing in the business community. Higher rates also lead to decreased consumer spending. Lower interest rates attract investment as businesses increase production. The government can influence interest rates in the short run by printing more money, which might eventually lead to inflation. Businesses do not thrive when there is a high level of inflation.

Table 21 *The extent of internal vs external factors to performance*

Statement	Very Low Extent	Low Extent	Neutral	Large Extent	Very Large Extent	Mean	Std deviation
• Besides entrepreneurship and innovation management, other external factors (such as politics and legislation) are important in attaining corporate performance.	3	2	2	33	18	4.20	0.22
• Apart from being entrepreneurial and innovative, internal (organizational) factors (such as the structure and policies) are critical for the realization of corporate performance.	2	1	2	37	16	4.25	0.24

5.18 Regression analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions.

Table 22 *Model summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855	.731	.6811	.7435

R-Squared is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R2, also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 68.11% of the changes in corporate entrepreneurship could be attributed to the combined effect of the predictor variables (corporate entrepreneurship and innovation management).

Table 23 *Summary of One-Way ANOVA results*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.612	2	4.306	6.223	0.015
	Residual	38.06	55	0.692		
	Total	46.672	**57**			

The probability value of 0.015 indicates that the regression relationship was highly significant in predicting how corporate entrepreneurship and innovation management influenced corporate entrepreneurship. The F calculated at 5% level of significance was 6.223 since f calculated is greater than the f critical (value = 2.5252), this shows that the overall model was significant.

Table 24 *Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.653	.217		7.618	.013
	Corporate Entrepreneurship	.482	.149	.413	3.235	.011
	Innovation Management	.441	.121	.419	3.645	.001

As per the SPSS generated table above, the equation (Y = β0 + β1X1 + β2X2 + ε) becomes: Y = -1.653 + 0.482X1+ 0.441X2

The regression equation above has established failure to account for corporate entrepreneurship and innovation management, the performance of corporate entrepreneurship would have a negative value of -1.653, the regression results show that a unit increases in corporate entrepreneurship would enhance corporate entrepreneurship by a factor of 0.482, a unit increase in innovation management would enhance corporate entrepreneurship by a factor of 0.441 and vice versa.

The analysis was undertaken at 5% significance level. The criteria for comparing whether the predictor variables were significant in the model was through comparing the obtained probability value and α=0.05. If the probability value was less than α, then the predictor variable was significant otherwise it wasn't. All the predictor variables were significant in the model as their probability values were less than α=0.05.

5.19 Discussions of the findings

5.20 Various dimensions of corporate entrepreneurship

The first objective of the study was to establish the various dimensions of corporate entrepreneurship; the study noted that among the dimensions of corporate entrepreneurship include pro-activeness, risk-taking, innovation, environmental complexity and self-renewal. The study noted that corporate proactiveness has a significant positive effect on firm sustainability, the study also established that it is necessary to pursue and anticipate opportunities and participate in new and emerging markets. Corporate proactiveness helps firms fruit and gain advantages by being the first to capitalize on new opportunities (Lee and Peterson, 2000). Firms with greater corporate proactiveness are likely to achieve superior performance in the competitive markets and take more benefits, rewards, and advantages from the markets, firms with stronger corporate proactiveness are pioneers by absolutely identifying potential strategies to gain unique competitive advantage, achieve best performance and enhance critical sustainability in the future markets and environments.

On risk-taking, the study noted that it is essential for top managers to assess, manage and take risks to move the corporate entrepreneurship to the next level. Further the study noted that risk-taking enabled the firm to better understand its strengths and weaknesses. Risk-taking also enabled the firm to reassess its priorities, goals and roles. The findings are in support of Mahemba and De Bruijn (2003) that through risk-taking the firm management was able to strengthen its operational system.

On innovativeness the study noted that most of the corporates were strived to ensure consistency in development of new types , organizations frequently tried new techniques of manufacturing products, considerable number of corporates management encouraged creativity in the methods of operation to reduce the time of production, most of the corporates had invested in developing appropriate technology to produce high quality goods and that most of the corporates continually carried out product improvement always. Dorf and Byers (2008, p.103) suggest that the firm should seek to build an innovation strategy that involves new technologies, ideas and creativities that lead to invention and, ultimately, commercialization.

The study established that environmental complexity affects the efficiency of business operations and the effectiveness of strategic decision making. It promotes firms to provide strategic orientation, resource dependence, knowledge protection, and global integration that are important determinants of equity sharing for international joint ventures (Luo, 2001). It drives the degree of implementation of the main total quality management (TQM) principles, including negative impact on customer focus and the positive influences on continuous improvement and teamwork (Fuentes-Fuentes et al., 2004).

Thus, environmental complexity has a significant and indirect relationship with corporate entrepreneurship (Wiersema and Bantel, 2003).

5.21 Role of innovation management in corporate entrepreneurship

The study noted that corporate managers needed to constantly innovate and in order to stay ahead of the competition, corporate managers should allow employees flex time to brainstorm and develop individual projects. Innovation management allows the corporate to respond to external or internal opportunities, and use its creativity to introduce new ideas, processes or products. According to Dorf and Byers (2008,) corporate should seek to build an innovation strategy that involves new technologies, ideas and creativities that lead to invention and ultimately commercialization. Further, the study reveled that effective innovation management promotes rapid corporate entrepreneurship via wide learning (it creates a cascading effect where one person learning then drives others to contribute to the development of ideas). The findings further support the argument by Zahra, (2006) that innovation management offered a competitive advantage, innovation management makes downstream innovation less likely to be copied and easier to implement than upstream innovation, innovation management forced corporate leaders to adopt and embrace innovative change and that helped to improve an organization's culture.

Further the study revealed innovation process helped to develop customer value through solutions that meet new needs, unarticulated needs, or existing market needs in unique ways, Innovative employees increase productivity by creating and executing new processes which in turn may increase competitive advantage and provide meaningful differentiation. The findings are in line with the research by Miller (2003) that Managers who promote an innovative environment can see value through increased employee motivation, creativity, and autonomy; stronger teams; and strategic recommendations from the bottom up. the findings further supports the argument by Ahuja and Lampert (2001) Clarity about and understanding of roles, increased responsibilities, strategic partnerships, senior management support, organizational restructuring, and investment in human resources can all enrich organizational culture and innovation.

5.22 Relationship between leadership and corporate entrepreneurship

The study noted that transformational CEOs influence top management team behavioral integration, risk propensity, decentralization of responsibilities, and long-term compensation and that these top management team characteristics impact corporate entrepreneurship. Corporate entrepreneurship requires an environment that most leaders are not accustomed to dealing with. Leaders must be highly adaptable, flexible, and responsive to a rapidly changing market environment, the findings are in support of the literature by Burch (1996), that good leadership in corporate entrepreneurship is one that endures solutions, understands how to manage dynamic complexities, uncertainties and opportunities.

The study further noted that leadership is more closely associated with proactivity than with organizational innovativeness. Leadership was also found to provide the most accommodating managerial background for radical entrepreneurship, the most prevalent strategy among transformational leaders was the 'initiating entrepreneurial strategy''. This demonstrates that although transformational leaders scored high on proactivity (generation of ideas), they received only moderate marks on innovativeness. As a result, entrepreneurial activism associated with transformational leadership is mostly opportunistic in nature. The findings are in support of the literature by Avolio and Bass, (2004) that in this rapidly changing global environment, organizations need to have effective leaders who are capable of understanding situations that are fast-paced and dynamic.

5.23 Challenges to corporate entrepreneurship and innovation management

The study sought to determine the challenges to corporate entrepreneurship and innovation management. The study established that the biggest challenge facing corporate entrepreneurs is the corporate culture itself, corporate ventures seldom blend smoothly with existing corporate cultures. Since new corporate ventures are often unclear in their initial stages and consequently present a degree of uncertainty, they require collaborative and adaptive organizational context to thrive. The findings support the literature by Chesbrough, (2003); Grant, (1996) that increased competition, rapidly changing technology and changing customer expectations are other key challenges facing corporate entrepreneurship, which have caused the innovation process to become more complex and uncertain, further the findings are in line with the research by Kogut & Zander, (1992), that corporate companies often lacked a clear mission, objectives and goal of what corporates want to achieve, lack of resources and development expenses, and high levels of risk and timing issues, lack of quantifiable measures of corporate culture.

The research noted that senior management is often reluctant in embracing innovative ideas and tend to manifest a huge fixation on conventional thinking. Senior managers in common cases were sometimes unwilling to accept new innovative ideas because they are generally viewed as digressions from normal business practice, the findings are in line with the research by Hjalager, (2010) that bureaucratic organizational structures present another challenge to corporate entrepreneurship and in most cases, entrepreneurs preferred flatter hierarchies, wider divisions of labor, wider span of control and decentralized organizational structures.

6 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter gives a summary of the study's findings and the conclusion from the provided findings and the recommendations made. The recommendation and conclusions reached were mainly focused in meeting the study's objectives. The researcher had sought to discuss the various dimensions of corporate entrepreneurship, to examine the role of innovation management in corporate entrepreneurship to explore the relationship between leadership and corporate entrepreneurship and to determine the main challenges to corporate entrepreneurship and innovation management.

6.2 Summary of the study findings

6.2.1 Various dimensions of corporate entrepreneurship

The study noted that among the dimensions of corporate entrepreneurship include pro-activeness, risk-taking, innovations environmental complexity and self-renewal. The research noted that corporate proactiveness has a significant positive effect on firm sustainability. The study also established that it is necessary to pursue and anticipate opportunities and participate in new and emerging markets, corporate proactiveness helps firms fruit and gain advantages by being the first to capitalize on new opportunities (Lee and Peterson, 2000). Firms with greater corporate proactiveness are likely to achieve superior performance in the competitive markets and take more benefits, rewards, and advantages from the markets, firms with stronger corporate proactiveness are pioneers by absolutely identifying potential strategies to gain unique competitive advantage, achieve best performance and enhance critical sustainability in the future markets and environments.

The study noted that it is essential for top managers to assess, manage and take risks to move the corporate entrepreneurship to the next level. Further the study noted that risk-taking enabled the firm to better understand its strengths and weaknesses. Risk-taking also enabled the firm to reassess its priorities, goals and roles. The findings are in support of Mahemba and De Bruijn (2003) that through risk-taking the firm management was able to strengthen its operational system, strategic renewal is a vital ingredient to achieving corporate entrepreneurship, innovation management and performance.

The study noted that most of the corporates were strived to ensure consistency in development of new types of ventures, organizations frequently tried new techniques of manufacturing products, considerable number of corporates management encouraged creativity in the methods of operation to reduce the time of production, most of the corporates had invested in developing appropriate technology to produce high quality goods and that most of the corporates continually carried out product improvement always. Dorf and Byers (2008) suggest that the firm should seek to build an innovation strategy that involves new technologies, ideas and creativities that lead to invention and, ultimately, commercialization.

The study established that environmental complexity affects the efficiency of business operations and the effectiveness of strategic decision making. It promotes firms to provide strategic orientation, resource dependence, knowledge protection, and global integration that are important determinants of equity sharing for international joint venture (Luo, 2001). It drives the degree of implementation of the main total quality management (TQM) principles, including negative impact on customer focus and the positive influences on continuous improvement and teamwork (Fuentes-Fuentes et al., 2004). Thus, environmental complexity has a significant and indirect relationship with corporate entrepreneurship (Wiersema and Bantel, 2003).

6.2.2 Role of innovation management in corporate entrepreneurship

The study noted that corporate managers needed to constantly innovate and in order to stay ahead of the competition, corporate managers should allow employees flex time to brainstorm and develop individual projects. Innovation allows the corporate to respond to external or internal opportunities, and use its creativity to introduce new ideas, processes or products. According to the literature by Dorf and Byers (2008,) corporate should seek to build an innovation strategy that involves new technologies, ideas and creativities that lead to invention and ultimately commercialization. The findings further support the argument by Zahra, (2006) that innovation management offers firms a competitive advantage in that innovation management makes downstream innovation less likely to be copied and easier to implement than upstream innovation, and that innovation management forced corporate leaders to adopt and embrace innovative change that helped to improve organization’s culture.

Further the study discovered that innovative processes have helped firms to develop customer value through solutions that meet new needs, unarticulated needs, or existing market needs in unique ways. Innovative employees increase productivity by creating and executing new processes which in turn may increase competitive advantage and provide meaningful differentiation. The findings are in line with the research by Miller (2003) that managers who promote an innovative environment can see value through increased employee motivation, creativity, and autonomy; stronger teams; and strategic recommendations from the bottom up. The findings further support the argument by Ahuja and Lampert (2001) that clarity about and understanding of roles, increased responsibilities, strategic partnerships, senior management support, organizational restructuring, and investment in human resources can all enrich organizational culture and innovation.

6.2.3 Relationship between leadership and corporate entrepreneurship

The study exposed that leaders must be highly adaptable, flexible, and responsive to a rapidly changing market environment, the findings are in support of the literature by Burch (1996), that good leadership in corporate entrepreneurship is one that endures solutions, as well as understands how to manage dynamic complexities, uncertainties and opportunities, further the research revealed that transformational CEOs influence top management team behavioral integration, risk propensity, decentralization of responsibilities, and long-term compensation and that these top management team characteristics impact corporate entrepreneurship. Corporate entrepreneurship requires an environment that most leaders are not accustomed to dealing with.

The study further noted that leadership is more closely associated with proactivity than with organizational innovativeness. Leadership was found to provide the most accommodating managerial background for radical entrepreneurship and the most prevalent strategy among transformational leaders was the ‘initiating entrepreneurial strategy’’. This demonstrates that although transformational leaders scored high on proactivity (generation of ideas), they received only moderate marks on innovativeness. As a result, entrepreneurial activism associated with transformational leadership is mostly opportunistic in nature, the findings are in support of the literature by Avolio and Bass, (2004) that in this rapidly changing global environment, organizations need effective leaders who are capable of understanding situations that are fast-paced and dynamic.

6.2.4 Challenges to corporate entrepreneurship and innovation management

The study recognized that the biggest challenge facing corporate entrepreneurs is the corporate cultures itself; corporate ventures seldom blend smoothly with existing corporate cultures. Since new corporate ventures are often unclear in their initial stages and consequently present a degree of uncertainty, they require collaborative and adaptive organizational context to thrive. The findings support the literature by Chesbrough, (2003); Grant, (1996) that increased competition, rapidly changing technology and changing customer expectations are other key challenges facing corporate entrepreneurship, which have caused the innovation process to become more complex and uncertain, further the findings are in line with the research by Kogut & Zander, (1992), that corporate companies lacked a clear mission, objectives and goal of what corporates want to achieve, lack of resources and development expenses, and high levels of risk and timing issues, lack of quantifiable measures of corporate culture.

The research also established that senior management is often reluctant in embracing innovative ideas and tend to manifest a huge fixation on conventional thinking. Senior managers in common cases were sometimes unwilling to accept new innovative ideas because they are generally viewed as digressions from normal business practice, the findings are in line with the research by Hjalager, (2010) that bureaucratic organizational structures present another challenge to corporate entrepreneurship, in most cases, entrepreneurs preferred flatter hierarchies, wider divisions of labor, wider span of control and decentralized organizational structures.

6.3 Conclusions

The study noted that among the dimensions of corporate entrepreneurship include pro-activeness, risk-taking, innovations environmental complexity and self-renewal. Corporate proactiveness helps firms gain advantages by being the first to capitalize on new opportunities whereas environmental complexity promotes firms to provide strategic orientation, resource dependence, knowledge protection, and global integration. Firms should seek to build an innovation strategy that involves new technologies, ideas and creativities that lead to invention and, ultimately commercialization. Therefore, this study concludes that all dimensions of corporate entrepreneurship had significant effect on corporate entrepreneurship.

On the other hand, the development of new ideas and opportunities within large or established businesses directly lead to the improvement of organizational profitability and enhances the competitive position or the strategic renewal of an existing business. According to Dorf and Byers (2008,) innovation reflects a firm's tendency to engage in and support new ideas, novelty experimentation and creative processes that may result in new products, services or technological processes, and which may take the organization to a new paradigm of success, therefore the study concludes that innovation had a positive influence on management of corporate entrepreneurship.

The study revealed that one of the primary tasks of the corporate leader is to foster an environment in which entrepreneurial thinking is encouraged and readily takes places. Promoting this culture by freely encouraging creativity (and thereby innovation), enhances the overall competitiveness of the firm. The findings are in support of the literature by Burch (1996), that corporate leaders should be motivated toward corporate entrepreneurship and must continuously strive to exude and build trust, embracing the risk to fail and inspiring those around them to take similar calculated risks. The findings also affirm Onodugo's (2000) delineation that leadership is simply the ability of the manager to influence subordinates to strive willingly towards realizing group goals. Therefore, the study confluents right transformational leadership enhances achievement of corporate entrepreneurship and innovation uptake.

Moreover, the study has discovered that in a wider spectrum, corporate companies lacked a clear mission, objectives and goal of what corporates want to achieve, lack of of quantifiable measures of corporate culture, resources and high levels of risk and timing issues seemed to the most crippling factors of corporate entrepreneurship spirit. The disinclination of senior managers to accept new innovative ideas and bureaucratic organizational structures also presented challenges to corporate entrepreneurship.

6.4 Research contributions and implications

In view of enhancing corporate entrepreneurship, the management should set a broad direction for achievement, re-evaluating it periodically for any new tendency that may have surfaced in regard to changes in the business environment in which the corporate is operating.

Corporate should have clear policies on governance, this will help to evade managerial conflicts, enhance internal efficiencies, and poster comparativeness and ultimately improve corporate entrepreneurial culture. The corporate management should reinforce efforts across the entire organization that coincides with the current plan for achievement. Senior managers should continuously promote innovative culture while making adjustments based on their beliefs related to organizational goals and the feedback they receive from business units.

The senior executives in every corporate should magnify the stated goals to reinforce those business unit initiatives and thereby achieve the highest degree of success. Top management should control the level and the rate of change rather than the specific content of entrepreneurial activity, new managerial approaches and innovative administrative arrangements are required to facilitate the collaboration between entrepreneurial participants and the organizations in which they are active.

Organizations looking to sustain and improve their competitiveness and corporate entrepreneurship through a rejuvenation strategy need to attend to the creative performance of employees working in teams. Team characteristics and processes need to be aligned so as to support creativity if an organizational strategy of rejuvenation involving restructuring into self-managed teams is to succeed. The boards (both supervisory and management) need to embrace qualitative corporate governance in order to reduce the risk of scandal, legal action and the resulting damage to reputation, clearly this involves embracing the true spirit underlying good corporate governance not merely the trappings.

Corporate leaders should be motivated towards corporate entrepreneurship and must continuously strive to exude and build trust, embrace the risk to fail and inspire those around them to take similar calculated risks.

6.5 Suggestions for future research

While the main purpose of this study was to examine the prevalence of corporate entrepreneurship, together with the underlying factors that not only encourage creativity, innovation and entrepreneurship, but also entrepreneurial ownership and orientation; this study recommends that a similar research need to be conducted this time exploring, effects of dynamic capabilities on strategy implementation, it is also important to investigate on the influence of strategic management practices on corporate performance.

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Appendix 1

Question guide for CEOs of selected state corporations in Kenya

Research:
Corporate Entrepreneurship and Innovation Management in the Context of Emerging Economies of Africa
Case Study: Kenyan State Corporations

Instructions:
This questionnaire is meant to collect information to be used for academic purposes only. Kindly answer the questions fully by either ticking the appropriate response in one of the boxes provided, or by providing a brief explanation where needed. Do not write your names anywhere in this questionnaire. Please try to be as honest as possible.

Section One: General Information Questions

1. (a) Gender?
   i. Male [ ]
   ii. Female [ ]

2. For how long have you served/worked in this corporation as the CEO? (Tick appropriately)

Less than a year	1-2 year	2-3 years	More than 3 years

3. What is the main product or service that your organization offers to the public? (Please list/describe it briefly)
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
………………………………………………......

4. (a) Is the aspect of performance clearly defined in your corporation?
   i. Yes [ ]
   ii. No [ ]

(b) Briefly explain your answer in 4(a) above
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
………………………………………………......

Section Two: Questions Touching on the Relationship between the Independent Variables and the Dependent Variable

5. (a) Can you describe your corporation as being entrepreneurial?
   i. Yes [ ]

ii. No [ ]

(b) If 'Yes' or 'No,' why? (Briefly explain

…………………………………………………………………………………
…………………………………………………………………………………
…………………………………………………………………………………
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6. (a) Is your organization involved in sustained regeneration (i.e., continuous introduction of new products, services and new market entrance) as a means of being entrepreneurial?

i. Yes [ ]
ii. No [ ]

(b) Briefly explain your answer in 6(a) above

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7. (a) As a corporate, do you practice organizational rejuvenation (i.e., changing of internal processes, structures and/or capabilities) to better deliver on your mandate?

i. Yes [ ]
ii. No [ ]

(b) Explain briefly your response in 7(a)

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8. (a) Are you involved in strategic renewal – that is the redefinition of the organization's relationship with its markets and industry competitors by fundamentally changing the way it competes, with the aim of repositioning the firm in the market – as a means of responding to the changing times?

i. Yes [ ]
ii. No [ ]

(b) If 'Yes,' briefly explain how

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…………………………………………………………………………………
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9. Is your domain, which involves the creation of a new product-market arena that has not been recognized or actively exploited by other organizations, clearly defined?

i. Yes [ ]
ii. No [ ]

10. (a) Can you describe your management as being innovative?

i. Yes [ ]
ii. No [ ]

(b) Defend you response in 10(a) above
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………………………………………………………………………………
………………………………………………………………………………
………………………………………………..

11. (a) Is it true that leadership has an influence on corporate entrepreneurship and innovation management?

i. Yes [ ]
ii. No [ ]

(b) Describe the form of leadership that your organization employs to achieve its goals and objectives
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………………………………………………..

12. (a) Are there any challenges that you currently face as you try to move towards being more entrepreneurial and innovative in your operations?

i. Yes [ ]
ii. No [ ]

(b) If 'Yes' list a few of the main challenges
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(c) How are you responding to some of these challenges?
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13. To what extent do you agree or disagree with each of the following statement? (Key: **VLE** - Very Large Extent; **LE** - Low Extent; **N** - Neutral; **LE** - Low Extent; and **VLE** - Very Low Extent)

Statement	**Degree of Agreement/Disagreement**				
	VLE	LE	N	LE	VLE
(a) Sustained regeneration, as an aspect of corporate entrepreneurship, is important in attaining corporate performance					
(b) Organizational rejuvenation is key to a firm's corporate entrepreneurship and performance					
(c) Strategic renewal is a vital ingredient to achieving corporate entrepreneurship, innovation management and performance					
(d) Domain redefinition is a significant element of a firm's corporate entrepreneurship and in the realization of corporate performance					
(e) Development of new ideas, novelty experimentation and use of creative processes are important in achieving innovation management and corporate performance					
(f) Leadership is important in achieving corporate entrepreneurship, innovation management and corporate performance					
(g) There are a number of challenges in realizing a corporate's entrepreneurship, innovation management and performance goals.					

Section Three: Questions Touching On the Relationship between the Intervening Variables and the Dependent Variable

14. Besides entrepreneurship and innovation management, external factors (such as international legislation, national politics, macro-economic forces and technological changes) are important to attaining corporate performance

i. Yes [ ]
ii. No [ ]

15. Apart from being innovative and entrepreneurial, internal (organizational) factors – such as the structure, culture, policies and management of change – are also critical in the achievement of corporate performance

i. Yes [ ]
ii. No [ ]

16. To what extent do you agree or disagree with each of the following statement? (Key: **VLE** - Very Large Extent; **LE** - Low Extent; **N** - Neutral; **LE** - Low Extent; and **VLE** - Very Low Extent)

Statement	Level of Agreement/Disagreement				
	VLE	LE	N	LE	VLE
(a) Besides entrepreneurship and innovation management, other external factors (such as politics and legislation) are important in attaining corporate performance					
(b) Apart from being entrepreneurial and innovative, internal (organizational) factors (such as the structure and policies) are critical for the realization of corporate performance.					

17. Any suggestions, opinions or recommendations on what should be done to promote corporate entrepreneurship, innovation management and performance of state-owned corporates in Kenya in particular, and in the emerging economies of Africa in general?
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Appendix 2

LIST OF ALL STATE-OWNED CORPORATIONS IN KENYA

No	Name of Corporation	No	Name of Corporation
1.	Kenya Marine and Fisheries Research Institute	35.	Industrial and Commercial Development Corporation
2.	Kenya Accreditation Service	36.	Export Processing Zones Authority
3.	Nzoia Sugar Company Limited	37.	National Standards Council
4.	Geothermal Development Company	38.	New Kenya Cooperative Creameries Limited
5.	Chemelil Sugar Company	39.	Kenya Investment Authority
6.	Agricultural Development Corporation	40.	National Council for Population and Development
7.	Kenya Yearbook Editorial Board	41.	National Drought Management Authority
8.	Anti-Counterfeit Agency Board	42.	Women Enterprise Fund Advisory Board
9.	Kenya Trade Network Agency Board	43.	Uwezo Fund
10.	Policy Holders Compensation Fund	44.	Kenya Utalii College Council
11.	Capital Markets Authority	45.	National Development Fund for Persons with Disabilities
12.	Bomas of Kenya Board	46.	Nyayo Tea Zones Development Corporation
13.	Jomo Kenyatta Foundation	47.	Kenya Meat Commission
14.	Kenya Wildlife Service Board	48.	National Irrigation Board
15.	Kenya Electricity Transmission Company Limited	49.	Rural Electrification Authority
16.	Kerio Valley Development Authority	50.	Energy Regulatory Commission
17.	National Council for Children Services	51.	Kenya Medical Research Institute
18.	Privatization Commission	52.	Kenya Medical Training College
19.	Kenya International Convention Centre Board	53.	Kenyatta National Hospital Board
20.	Sports Kenya	54.	Kenya Civil Aviation Authority Board
21.	National Oil Corporation of Kenya	55.	Kenya Ports Authority
22.	South Nyanza Sugar Company Limited	56.	Kenya Maritime Authority
23.	Kenya Animal Genetics Resource Centre	57.	Kenya Ferry Services Limited
24.	Kenya Veterinary Vaccines Production Institute	58.	Kenya Railways Corporation Board
25.	Micro and Small Enterprise Authority	59.	Kenya Airports Authority Board
26.	Tana and Athi Rivers Development Authority	60.	National Environmental Trust Fund
27.	Kenya Pipeline Company	61.	Lake Victoria North Water Services Board
28.	Coast Development Authority	62.	Rift Valley Water Services Board

29.	Kenya Industrial Research and Development Institute	63.	Athi Water Services Board
30.	National Cereals and Produce Board	64.	Tana Water Services Board
31.	National Campaign against Drug Abuse Authority Board	65.	Water Services Regulatory Board
32.	Kenya Trade Networks Agency Board	66.	Water Services Trust Fund
33.	Industrial Development Bank	67.	Coast Water Services Board
34.	Anti-Money Laundering Advisory Board	68.	Northern Water Services
69.	National Housing Corporation Board	74.	Kenya Forests Service
70.	Retirement Benefits Authority	75.	Kenya Forestry Research Institute
71.	Postal Corporation of Kenya	76.	Kerio Valley Development Authority
72.	Numerical Machining Complex Limited	77.	National Water Conservation and Pipeline Corporation
73.	National Environment Management Authority		
	Total		**77**

(Source: Muriuki, 2015)