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Influence of Intrapreneurial Strategies on Performance of State Corporations in Kenya

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Abstract:

The performance of state corporations in Kenya has not been as expected, as demonstrated by reports of unrelenting financial and managerial woes. In an attempt to reign on the poor performance, the government has developed policies on how to manage the state corporations, with emphasis on self-sustainability. The requirement to be self-sustaining demands that state corporations continuously innovate, improve themselves and competitively market their products and services, which in essence is entrepreneurship/intrapreneurship. This paper looks at role of organization strategies on performance of State Corporations in Kenya. The paper objectives were to establish the role of Support structure and Product champion strategies on organization performance. It was found out that there is relationship between intrapreneurship strategies (support structure and product development) and the two strategies affect the commercial public organization by 12.2%. The paper recommends that; management should encourage organization innovation and creativity as well as encourage implementation of new ideas and not following the rigid rules. This will encourage the employees to develop new products and services to enable the organization have a competitive edge in the market.

Keywords: *Intrapreneurship, Entrepreneurship, Product development, Support structure, Innovation, Creativity*

1. Background to Study

Organizations are changing rapidly; hence it is very essential that managers welcome new ideas and approaches. Sustainable competitive advantage can only be achieved if organizations focus on innovation within their various departments. Large organizations should replace corporate bureaucracy; top down command and control system with intrapreneurial empowerment else they will soon realize that they will cease to exist. Only flexible and adaptive organizations can survive in the international economy. Intrapreneurs are generally greatly self-driven, hands-on and pragmatic individuals who are feel at ease with inventive moves within the limits of an organization in quest of an innovative product or service (Investopedia 2013).

The importance and potential of intrapreneurship for the development of innovation is widely recognized. This is because intrapreneurship is key towards innovation in established organisations and innovation has become a major driving force for business growth and success (Jong, Parker, Wennekers& Wu, 2011; Tao, Probert, &Phaal, 2010). Its application in organisations has a lot of potential for organisational development that would lead to greater returns.

Today's business environment is characterized by continuous change as a result of fast changing technologies, ever increasing changes in customer demand and the growing levels of intense global competition (Ireland &Webb, 2009). The recent scenario in the business landscape has witnessed the increasing pressure exerted on organizations to compete towards organizational sustainability.

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Parastatals/public organization plays a major role in most economies through the provision of public services such as transport and energy. Also, because they were established to foster wider developmental goals, some of them such as the sugar industry in Kenya provide infrastructure and social amenities like schools and health services to communities. For instance, Kenya's sugar industry supports an estimated six million Kenyans directly or indirectly. In addition, the sub-sector saves Kenya in excess of US\$ 250 million in foreign exchange annually. Despite these important socio-economic gains, most of the parastatals in Kenya are characterized by

inefficiency losses and the provision of poor products and services. Subsequently, they have caused heavy budgetary burdens to the public. The stunning Kshs.59 billion debt of the sugar industry bears a testimony to this.

Although discussed in a number of different settings, there are contexts in which the issue of intrapreneurship has not been addressed exhaustively. One of these contexts is in the state corporations in Kenya. State Corporations in Kenya have been experiencing a myriad of problems, including corruption, nepotism, and mismanagement (Njiru, 2008). In fact, from the Public Investment Committee reports, out of 130 reports examined by the Auditor General – Corporations, only 23 managed a clean bill of health (RoK, 2007). The general story is one of loss, fraud, theft and gross mismanagement. For example, a World Bank (2004) article stated that a key area for corruption-busting reform is the parastatal sector. When compared to similar economies, Kenya has had an over-abundance of state corporations many of which are a drain on public resources; more to the point, they have been the locus of corruption that thrives in public monopolies, especially when coupled with lax oversight, management and fiduciary control procedures.

The poor performance of public enterprises is one of the reasons that many less developed countries (LDCs) have failed to develop more rapidly (Trivedi, 1992). Therefore, improving the performance in state owned corporations and enterprises has been an area of interest world over and especially in LDCs. For example, France, South Korea, Venezuela, India and Senegal have implemented policies of performance contracting in their effort to improve the performance of their state enterprises (Trivedi, 1990). In contrast, Tanzania has put emphasis on improving the efficiency of its state corporations by divesting or liquidating the non-strategic ones and restructuring and commercializing the strategic ones (PSCGT, 2002).

Since 1980, Kenya has made efforts to implement in phases changes necessary to adjust the economy to the new realities of the liberalised free enterprise market economy. For example, in the late 1970s and early 1980s, the country put in place fundamental structural adjustments programmes (SAPs) to its economy. The concept of structural adjustment pertains in general steps taken to bring domestic economic institutions and policies more into line with world prices, trade patterns and investment opportunities in both the public and private sectors (Hecox, 1992). The key prang of the SAPs was cost cutting which introduced cost sharing in public service delivery. This meant that public institutions would no longer receive unlimited financial support from the government and had to look for other means of raising revenue by either cutting costs or finding alternative revenue sources. The Sessional Paper No. 1 of 1986 (RoK, 1986, pg. 29) strongly put the case for structural adjustment programmes, stating; “Government’s resources are limited. The only way out of this dilemma is to involve those who participate in government services increasingly in financing the recurrent costs of these services”. (RoK, 1986)

In June 2003, the government unveiled its economic recovery strategy for wealth and employment creation. The new strategy was founded on the principles of the sessional paper of 1994 and required changes in public sector management. Thus, Since June 2005, state corporations have been signing performance contracts with the government in a bid to enhance and sustain their performance; other reform initiatives in the public sector since 2003 in order to improve service delivery in the public service include the development of strategic plans and customer service delivery charters. In order to jump start performance improvement, there has also been the introduction of rapid result initiatives (RRI). Evidently, majority of the state corporations have registered relatively good performance as shown in the 2006/2007-performance evaluation (Performance Contracts Secretariat [PCS], 2006). However, a reasonable number have registered poor performance, and those that show good performance are not able to sustain it over a long period (Trivedi, 2008). There is now need to study state corporation further to establish how to instill good corporate practice, such as that of intrapreneurship. Against this background, the International Organizations such as the IMF (International Monetary Fund) and the World Bank proposed the privatization of Kenyan parastatals in 1994. The Structural Adjustment Programs (SAP) were aimed at reducing government participation in the economic sector and to increase the productivity of parastatals. Since then, this intervention has led to the popularization of privatization as a solution to the problems of parastatals (State Corporations) even though the exercise did not bring the much coveted efficiency gains. Seen in this light, this paper sought to find intrapreneurship strategies influence on performance of these organization in Kenya which are facing a lot of challenges an area that few studies have been conducted on the intrapreneurship of this public organizations which are supposed to be generating revenue but are annually are incurring losses.

1.1. Statement of Problem

Kenya’s long-term development agenda spelt out in the vision 2030, targets an annual growth rate of 10% in the medium term with an investment rate of 30% (RoK, 2007), but in most cases the human capital is not fully utilized. Among the strategic thrusts proposed is to intensify human capital, equip human resources with necessary competencies and encourage intrapreneurial initiatives to make certain that the private sector is vanguard of the economic development. Despite the reforms and initiatives to reinvent the state corporations in Kenya, many of them still perform poorly (Mwaura, 2007; ROK, 2007a). this is why this study sought to find out if Intrapreneurship strategies used can influence on State Corporations performance as the past studies done shows gap.

In Kenya, a few studies on intrapreneurship have been carried out; a study by Mucee (2002), which focused on corporate venturing practices in listed companies, found that overall, the supportive intrapreneurial culture, climate and support are lacking in many private firms in Kenya. Wambeti (2013) studied intrapreneurial prerequisites as determinants of organizational outcomes among Kenyan state corporations and found out that there is a significant relationship between the prerequisites of intrapreneurship and the outcomes. Each outcome is predicated by a different set of prerequisites. In addition, Karimi (2005) studied negative and positive correlates of intrapreneurship in a case study of one public university and found that training and encouragement of the staff fostered intrapreneurship while lack of free flow of information discourages intrapreneurship. Ayiro (2005) modeled intrapreneurship in one

semi-autonomous government agency and found that there is need to give staff independence to innovate and embrace new approaches to generate competitive products and services.

According to Njiru (2008) studied the role of state corporations in a developmental state in Kenya and found out that state corporations in Kenya have been experiencing a myriad of problems. Leadership has been known for politicization and poor corporate governance where the board appointments are political. According to Njiru (2008), lack of adequate human resources has hampered effective and efficient service delivery in state corporations and recommended that recruitment of technical staff be undertaken to address succession management. Wamalwa (2009) studied the relationship between Performance Contracts and financial performance of Kenya Railways (KR) and Kenya Airports Authority (KAA). The study concluded that PCs have been largely successful tools in improving the financial performance of KR and KAA. The study focused on the relationship between PCs and financial performance leaving a gap on how organizational strategies influence on development of corporate intrapreneurship among commercial public organization.

Mwaniki (2010) did a study on the impact of Performance Contracting on the performance of commercial State Owned Enterprises. The study found that there was a significant impact of PCs in the financial performance of the State Owned Enterprises. The study focused on the impact of PCs on performance of commercial State Owned Enterprises and therefore there was a research gap in terms of how organizational strategies influence on development of corporate intrapreneurship among commercial public organization. Miring'u (2011) did an analysis of the effect of corporate governance on performance of commercial SCs in Kenya. The analysis concluded that corporate governance brings new outlook and enhances a firm's corporate intrapreneurship and competitiveness thus a positive relationship between ROE, board size and board composition. The analysis did not focus role of organizational strategies on development of corporate intrapreneurship among commercial public organization hence there was a research gap. The above studies focused on several aspects that affect the performance of SCs in other parts of the world and in Kenya and business organizations but to the best of the researcher's knowledge there was no study that tried to establish the role of organizational strategies on development of corporate intrapreneurship among State Corporations in Kenya hence a research gap.

1.2. Research Question and Objectives

How does Intrapreneurial Strategies influence performance of Corporate State Corporations in Kenya? The objectives were;

- i. To examine the influence of support structures on performance of State Corporations in Kenya
- ii. To find out the role of Product champion on performance of State Corporations in Kenya

1.3. The Scope of Study

This study investigated the role of Intrapreneurship strategies on development of corporate intrapreneurship among state corporations. The study's scope was all 121 state corporations. The sample represents all the eight categories of state corporations, namely: financial; commercial/manufacturing; regulatory; public universities; training and research; service; regional development authorities and tertiary/training state corporations, (Wambeti, 2013) adopted same strategy for sample selection.

2. Theoretical and Conceptual Framework

This paper was pegged on four theories; *Economic Development Theory, Flexible Leadership Theory, Human Capital Theory and Resource Based Theory*. Economic Development Theory was based on several theories and one of them is the theory of economic development as postulated by Schumpeter (1934). He argued that the intrapreneur is the main actor in economic development due to his/her innovative activities. The Flexible Leadership Theory is conceptualized at firm level and explains how top executives influence organization-level processes that determine a firm's performance. It is a theory of strategic leadership that emphasizes the need to influence key determinants of financial performance for a company: efficiency, innovative adaptation and human capital (Yukl, 2008). According to Hessels and Terjesene (2008) the Human Capital Theory was proposed by Scrutz (1961) and developed extensively by Becker (1964). And the Resource Based Theory according to Kraaijenbrink, Spender and Groen (2010), the Resource Based Theory is mainly concerned on efficient and innovative use of resources.

2.1. Conceptual Framework

The study will be guided by the following conceptual framework;

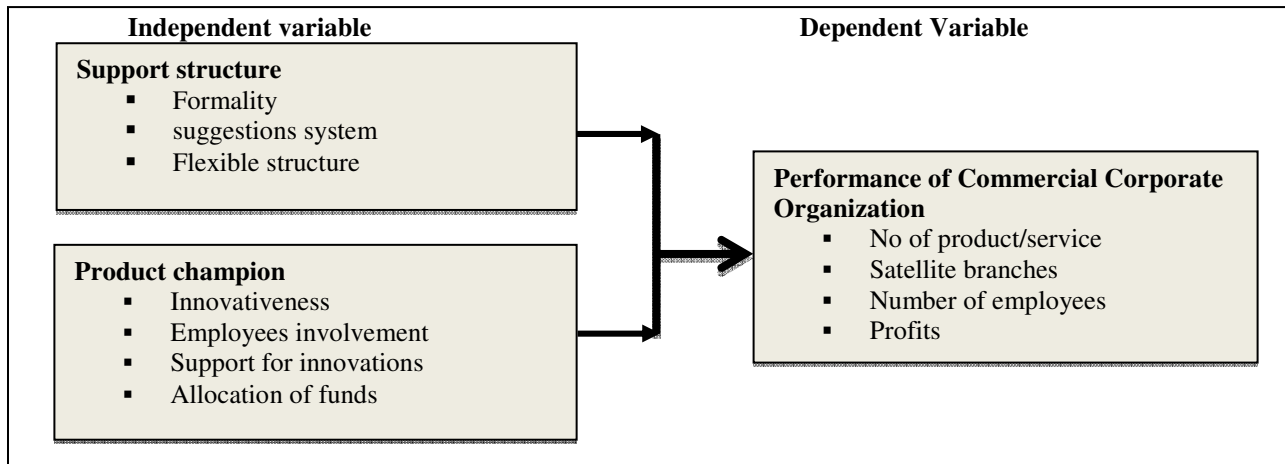


Figure 1: Conceptual Framework
Source: Research 2015

3. Research Methodology

Data for this paper were obtained by a combination of survey and case study approaches. Triangulation was also employed in data collection instruments, administrators and analysis to facilitate collaboration and cross checking of data for accuracy and validation. Denzin (1987c) as quoted in Patton (1990, pg 555) observes that by combining multiple observers, theories, methods and data sources, researchers can hope to overcome the intrinsic bias that comes from single – methods, single-observer and single-theory studies. This study was guided by an epistemological research philosophy. Epistemology is the study of knowledge development (Bryman, 2012). Knowledge is categorized as descriptive when it describes the philosophical position that is discerned by the research. The paper applied census in selecting the 121 State Corporations and from each organization 1 top management employee was selected randomly to participate in the study. Questionnaires and interviews schedules were the used tools in data collections. Data was analyzed by both descriptive and inferential statistics.

4. Literature Review

The literature has been presented that strongly suggests that intrapreneurship to be beneficial to the organization. The benefits include growth, strategic survival and change, retention of key HR assets, the building of knowledge assets, knowledge dissemination/exploitation and innovation. However, both Yang (2007) and Fitzsimmons et al. (2005) respectively believe that it is not a quick fix because the short term effects will be a decline in profits. Bouchard's (2001) points are also important as they identify problems that can occur if the process and context are inadequately managed.

In the rest of the world, Akan Iyang (2012) contended that the best worker is the intrapreneurial worker. Logically, most employers/recruiters would prefer an intrapreneurial worker (that is, one who is innovative, proactive and a bold intelligent risk taker). According to Bosma et al., (2011), intrapreneurs are much more likely to have the intention to start a new independent business than other employees, but employees with safe jobs in existing firms will think twice before moving to a risky new business venture. A few researches of corporate intrapreneurship in enterprises have been conducted in Africa, for example, Nyanjom (2007) researched on how enterprises in Botswana can develop and enhance intrapreneurial innovation and encourage intrapreneurial activity within enterprises. This study failed to address the role of strategies on intrapreneurship of manufacturing firms.

Aktan and Bulut (2008) also examined the effects of four sub-dimensions of corporate intrapreneurship (i.e. pro-activeness, risk-taking, innovation, and competitive aggressiveness) against the financial performance of 312 firms. The study used return on investment (ROI), return on equity (ROE), growth of sales and market based measurement (i.e. economic value added, market value added) and concludes that all the correlation coefficients across the corporate intrapreneurship dimensions and the financial performance components are positive and significant. The findings demonstrate that all the four dimensions of corporate intrapreneurship examined impacts positively and significantly on financial performance. This suggests that intrapreneurship should not be implemented haphazardly as the response to an immediate crisis but as a carefully organized ecological initiative to revive the company's long term prospects and prosperity, however it does not address the role of strategies on intrapreneurship of manufacturing firms.

4.1. Support Structure

According to Balasundaram and Uddin (2009), Sijde, et al. (2013), intrapreneurship is fostered by management support; work discretion; rewards/reinforcements; time availability; organisational and structure boundaries; resource availability, knowledge of the

market and intrapreneurial competencies of staff. Other determinants include individual motivation; transparency, openness and communality; individual competence; enabling work environment; training and development; individual intrapreneurial orientation; and, organizational intrapreneurial orientation.

Several researchers have asserted that intrapreneurial behaviour is discouraged when the management does not support the efforts of the employees and is not tolerant of their mistakes (Kamffer, 2004). To promote innovation and intrapreneurial behaviour in the organization the top management team should be dissatisfied with the status quo; talk to employees, suppliers and customers; they should create a vision that will not only empower employees but will also guide the independent and innovative employee. Further, the management should allow employees to come up with creative ideas to find and implement the opportunities that lie within the overall strategy and remove anything that hinders innovation in the organization. They should also search for and reward sponsors. It is also the management's role to keep the system open to all kinds of innovations, from value improvement, process breakthroughs, line extensions, new products and services, new ways of working together, new internal services and new organisational patterns. Further, the management needs to measure innovation and the climate for innovation by measuring the progress of each division.

4.2. Product Champion

It is vital for the organization to moderate the work load (Bhardwarwarj, Sushil&Momaya, 2007). According to Kuratko, Ireland, Covin& Hornsby (2008), organizations must evaluate the workloads of employees in order to foster innovative behaviour. A study by Kuratko, et al (2005) found that time availability explained significant variations in fostering intrapreneurship behaviour.

According to Kuratko, et al (2008), work discretion reflects the top-level managers' commitment to tolerate failure, provide decision making latitude and freedom from excessive oversight and to delegate responsibility and authority to middle-level managers. Work discretion was found to be an important element to trigger intrapreneurship behaviour (Rutherford & Cohessy, 2007). It is vital for organizations to allow employees to make decisions about their work process and avoid criticizing them if mistakes occur while innovating.

4.3. Study Gap

The past studies done by several authors like (Jong, Parker, Wennekers& Wu, 2011; Tao, Probert, &Phaal, 2010; Sijde, Veenker& During, 2013; Njiru, 2008; Wambeti (2013); Ayiro (2005) have sought to explore the relationship between intrapreneurship and the performance of the organization for example Bosma, et. al. (2010) and Parker (2011) argued that intrapreneurship was a concept closely related to intrapreneurship, emphasizing the intrapreneurial process and innovativeness. Intrapreneurship, however, takes place within the organization. this studies most of them were done on organizations and not necessarily on corporate organization which is the interest of this study and also the there is no study on influence of intrapreneurial strategies on development of corporate intrapreneurship among State Corporations in Kenya or any developing country and this study filled the existing literature gap.

5. Findings Discussions

Data analysis was analyzed for each of the specific objective where cross-sectional survey research design was used.

5.1. Background Information

From the survey results 49% of the respondents were between 30-40 years old while 60.4% were male with 39.6% females as shown in table 1.

Age	Frequency	Percent
Below 30yrs	26	27.1
30-40 yrs	47	49.0
Above 40yrs	23	24.0
Total	96	100.0
Gender		
Male	58	60.4
Female	38	39.6
Total	96	100.0

Table 1: Background Information

5.2. The Role of Support Structure in Development of Intrapreneurs

5.2.1. Institutional factors

According to the study the State Corporations the employees 41(42.1%) and mean=3.63 of the institutions believe that they have ability to achieve their organization goals most of the time. Occasionally mean=3.41 the employees are able to challenge the goals of the institutions but according to 51(53.1%) this is only occasionally. A study by Drechsler (2011), support that that competition influences innovation management as managers look out for superior options to their current procedures. The growth outlines of competition in general have led to a dynamic, chaotic world of global competition, where organizations are, forced to innovate in order to remain relevant.

In relation to innovation 63(65.5%) of institutions employees are very creative and perform well occasionally. Also according to 58(60.4%) the employees are very rarely allowed to develop better ways of carrying out their jobs. Most of the institutions 47(49%), adhere to institution culture occasionally. Majid, (2007) supports that from an organizational perspective, culture has many elements, which can serve to supplement an organization's ability towards innovation. The capability to inculcate a culture of innovation is a vital requirement that provides an organization with the necessary ingredients to innovate.

In relation to policies 48(50%) of the institution adhere to policies of the organization while on performance 43(44.8%) agree that their institutions are very rarely rated as the best in performance evaluation exercises. According to past studies a well-functioning organizational structure is an indication of the overall effectiveness of operational system. Organizational structure has been largely criticized for the decline in service provision and financial performance (Uadiale, 2010).

From the study in most of the institutions 48(50%) the employees are most of the time required to meet the deadlines given by management. However, in these institutions 41(42.7%) the job description is very rarely clear to the employees as shown in table 2 (Appendix). Similar findings by Muriithi (2008) documented Organizational structure and Financial performance of state corporations, the case of the New KCC and drawn a conclusion that better Organizational structure will improve financial performance in that respect he identified the following Organizational structure practices; appointment and leadership of the board structure of the organization, purpose and values, balance of power in the board, corporate communication and the assessment of performance of board and its responsibilities

5.2.2. Workplace Factors

The study also sought to find out the workplace related factors of support structure that influence employee's intrapreneurship and performance. In relation to new ideas generation most of the employees mean<3.0 agree that; management very rarely support new ideas generation 44(45.8%). The management also rarely encourages the development of new and innovative ideas 58(60.4%). In most commercial public organization 49(51%) the upper management are very rarely aware and receptive to ideas and suggestions and according to 49(51%) the management is also very rarely able to inspire everyone to work for good of the organization. Cohen (2009) findings support this study that interdependence and self-management are the fundamentals of organization's task design, and exert influences on organization effects by means of such interactions as conflicts and communication. Simons (2009), on the other hand, cautions against the attempts to decentralize the decision-making structures in the organizations.

From survey findings it was revealed that most of commercial public organization are very rarely flexible as supported my means <3.0. According to 43(44.8%) very rarely encourage employees to innovate through bending the rigid rules to implement the promising new ideas, 49(51%) the organizations very rarely support the development of new ways to do thing and occasionally according to 71(74%) of the organizations the individual work methods are valued. However, according to 68(70.8%) mistakes are very rarely regarded as learning experience. Dobbins, (2011) agree that reducing layers and empowering low level employees to make the decisions formerly made by hierarchies are often done together. The other organizational structure variable is the nature of formalization which refers to the degree to provide employees with rules and procedures that deprive but not encourage creative, autonomous work and learning activity.

In regards to involvement 39(40.6%) of the organizations occasionally see matters from employee's perspective but in general mean=2.6 implies that this is done very rarely. The management ideas according to 57(59.4%) very rarely generate trust in employees and occasionally according to 51(53.1%) suggestions from employees are carried out in workplace. Bounds (2009), support that the more layers in a firm will produce a more complex organizational structure. And, decisions that must be pushed through excessive layers take longer and are often made by people not directly in the trenches. The recent trend towards flatter organizations is a tacit acknowledgment that complexity will influence the flexibility, and can frustrate an organization's ability to compete in time-based environment.

In relation to feedback and sharing of opinions most of the organizations 45(46.5%) very rarely get enough feedback from the workplace while 35(32.3%) agree that organizations very rarely encourage the employees to freely air their opinions. Most of the organizations 44(45.8%) very rarely see change as opportunity in workplace and innovativeness and creativity according to 47(49%) of the organization is very rarely thought to be important.

According to 46(47.9%) of the organization there is clear division of labour in State Corporations most of the time. In relation to rules of conduct 50(52.1%) of the organization most of the time have clear rules and also the organization occasionally carry out their duties without delay according to mean=3.0. Also most of the time according to 46(47.9%) of the organization they offer good training opportunities to its employees. When it comes to risks at workplace 46(47.9%) of the organization very rarely encourage its employees to take any risks as shown in table 3 (Appendix).

5.2.3. Role of Product champion in development of Intrapreneurship

The survey revealed that most of the State Corporations 60(61.5%) most of the time like to work in teams while 54(56.3%) also to seek help most of the time from other members at workplace. In regards to training and development 51(53.1%) of the organization do not take training seriously. While according to 55(57.3%) most of the time professional development is considered as important while 31(32.3%) of the organizations occasionally support the individual development of its employees.

On creativity, most of the organization occasionally supports creativity as shown by findings. According to 26(27.1%) the employees are able to develop themselves occasionally, also 41(42.7%) agree that they are able to occasionally look for better ways to do things at work place, 41(42.7%) are occasionally capable to pursue what they believe in despite the obstacles while 43(55.2%) of the

employees are also in position to occasionally identify good opportunities for business before others. However, according to 36(37.5%) and mean=2.8, the employees are very rarely able to champion new ideas because of the opposition that they face. Change management also affects employee’s intrapreneurship and from findings 54(56.3%) are most of the times able to fix any errors before it is too late, 56(58.3%) of the employees in the organizations are powerful force and they bring constructive change most of the time as shown in table 4 (Appendix).

5.3. Firm Performance

The performance of the commercial public organization is the outcome of the organization intrapreneurship activities and from findings; 36(37.5%) agree that firm growth is between 2-5% but in general the firms have growth rate of <2% as shown by mean=1.9. The sales increment of most of the firm’s 31(33.3%) is between 2-5% while the customer’s retention rates is between 5-8% as supported by mean=3.2 but most organization 24(25%) have customer retention of 8-11%.

Although most organization 25(26%) have firm operation expansion of 2-5% in average the firm’s operation expansion is between 5-8%. The stock turnover of most of the firm’s 25(26%) is between 2-5%. The firms market coverage in general men=3.2 range between 5-8%, as shown in table 5 (Appendix).

Kiamba (2008) study the effects of Organizational structure on the financial performance of local authorities in Kenya. The study found that financial performance of the local authorities was influenced by political composition in the respective councils and manner in which internal audits are conducted and the managerial approaches applied by the council’s chiefs. Ngumi (2008) looked at the survey of the Organizational structure practices in the Housing Finance Company (HFCK) and concluded that good corporate practices are the best for the banking industry. Whereby he come to the clear conclusion that bank and is the level of commitment will ensure that its business and operations are conducted with high integrity and compliance with the law and the accepted practices in accounting this is in support with study findings that organizational structure affects performance.

5.3.1. Relationship between Intrapreneurship strategies and Performance

A multivariate regression analysis shows that a significant combined effect **Support structure** and **Product development** on the organization growth (R=0.349, R²=0.122) at the 95% confidence level as shown in table 6.

Coefficients ^a						
Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.112	.027		4.096	.000
	Support structure	.136	.079	.330	1.714	.089
	Product Development	.141	.106	.158	1.335	.184
a. Dependent Variable: Organization performance						

Table 2: Multivariate regression analysis of Relationship between Intrapreneurship strategies and Performance

While the effect of **Support structure** and **Product development** on State Corporations performance is significant, it is however low with only 12.2% of a unit in organization performance being attributed to the combined effect of the two factors.

A possible regression model is suggested in the form of;

$$Y = 0.112 + 0.136 X_1 + 0.141 X_2 + 0.027$$

Where

Y= Dependent variable (Enterprise growth index)

X= Independent variables;

X₁ = Imitation of technology Index

X₂ = Importation of technology Index

E = Error term

5.4. Conclusion

Most of the commercial public organization believes that they have the ability to meet their goals most of the time. However, the employees are not able to challenge the existing goals of the organization to perform better. Although the employees are occasionally innovative to bring new ideas they are rarely allowed to develop new ways of doing their job. And they adhere to institution culture occasionally. Although the institutions adhere to organization policies, the organizations do not perform well and they are not rated as the best during evaluations done. The State Corporations require that their employees meet the set deadlines but the institutions do not have any clear job descriptions.

The commercial public organization very rarely supports generation of new ideas or encourages development of innovative ways of doing things. The upper management of the organization is rarely receptive of any new ideas from the support staff and they do not inspire the employees to work for the good of organization development. On flexibility, the organizations very rarely encourage bending of rigid rules to achieve goals and the individual working methods are rarely encouraged or supported. Also mistakes in the organizations are not taken as learning experience but a mistake that need correction and discipline.

Although commercial public organization occasionally see the matters of organization from employee's perspective this is very rarely done. The management also very rarely generates trust from its employees and employee's suggestions are rarely taken into consideration. Feedback is very rarely given to employees and the employees are very rarely asked to share their views for better performance in the organization. Change is not seen as opportunity in the State Corporations and innovation and creativity is very rarely though as important. Most of the time in the organization there is clear division of labour and there are clear rules to follow. In regards to teamwork most of the State Corporations employees are capable of working in teams and ask for help from others. However, the organizations do not take the training and development as serious matter and professional development is not fully supported by the management. The organizations occasionally support creativity but the employees do not have the support to look for better ways to do things or pursue what they believe in despite the obstacles. The employees are also not capable of championing any new ideas in the State Corporations. The employees are capable of fixing any errors that they encounter in workplace before it is too late.

The performance of the firm performance varies in different aspects. The firm growth rate for the year 2014 was between 2-5%. The sales increment 2-5%, customer retention rate 5-8%, firms' operation expansion was between 5-8%, the stock turnover rate 2-55 while the firm's market coverage expansion was between 5-8%.

5.5. Recommendations

Based on the study results following were the recommendations made

- i. The organization should encourage employees through creating support structure that will; encourage innovation, generation of new ideas and challenge any rigid rules so that they can foster intrapreneurship
- ii. The management of commercial public organization need support the employees intrapreneurial activities by providing them with resources and moral support needed to perform better
- iii. The organizations need to also improve the products that they offering to the customers or ensure that they keep up with ever changing customer's demands. This can be met by empowering employees to innovate and implement new ideas
- iv. The commercial public organization can also achieve product development by fostering environment of collaborative thinking, support initiatives brought by employees so that they can be able to improve on existing products.
- v. The mistakes made by employees should be treated as a way of learning process, general trust from the employees, give the employees feedback and also encourage the employees to constantly share new ideas that may improve how work is done at workplace

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Appendices

Institutional factors	Never	Very rarely	Occasionally	Most of the time	Always	N.R	Mean	Stdv
Goals: Employees in our institution believe that they have the ability to achieve institutions goals		17(17.7)	19(19.8)	41(42.7)	18(18.8)	1(1)	3.6316	.98987
Goals: We set and achieve challenge goals in our institutions and this improves performance		7(7.3)	51(53.1)	26(27.1)	10(10.7)	2(2.1)	3.4149	.78164
Innovation: Employees in our institution are very creative and perform well in their job			63(65.5)	28(29.)	5(5.2)		3.3958	.58901
Innovation: Employees in our institutions are allowed to develop new and better ways of carrying out their job		58(60.4)	16(16.7)	13(13.5)	9(9.4)		2.719	1.0229
Culture: Employees in our institution adhere to institutions culture		2(2.1)	47(49)	37(38.5)	6(6.3)	4(4.2)	3.4574	.74292
Policy We all adhere to institutions policy and guidelines and this improves performance			39(40.6)	48(50)	9(9.4)		3.6875	.63764
Performance: Our institutions has been rated among the best during performance evaluation exercise		43(44.8)	32(33.3)	10(10.4)	11(11.5)		2.8854	1.00388
Deadline: Employees in our institutions are required to meet realistic deadlines		21(21.9)	18(18.8)	48(50)	7(7.3)	2(2.1)	3.4362	.92235
Job description: Employees job description are clear to them		41(42.7)	24(25)	15(15.6)	16(16.7)		3.0625	1.12215

Table 1: The role of Support structure in development of intrapreneurs

Workplace Factors	Never	Very rarely	Occasionally	Most of the time	Always	Mean	Stdv
New Ideas							
Management Support for Idea Generation		44(45.8)	29(30.2)	14(14.6)	9(9.4)	2.8750	.98675
The development of new and innovative ideas are encouraged	9(9.4)	67(69.8)	9(9.4)	5(5.2)	6(6.3)	2.8438	.95508
Developing one's own ideas is encouraged for the improvement of the corporation.		58(60.4)	18(18.8)	12(12.5)	8(8.3)	2.8229	.92900
Upper management is aware and very receptive to ideas and suggestions	2(2.1)	49(51)	25(26)	17(17.7)	3(3.1)	2.6875	.98742
Management is able to inspire everyone to work for the good of the organization	2(2.1)	49(51)	22(22.9)	16(16.7)	6(6.3)	3.1875	.98742
Flexibility							
Senior managers encourage innovators to bend rules and rigid procedures in order to keep promising ideas on track.		43(44.8)	35(36.5)	10(10.4)	8(8.3)	2.2917	.93939
Management encourages the development of new ways of operating	7(7.3)	49(51)	21(21.9)	12(12.5)	7(7.3)	2.7368	.98078
At my workplace, individual work methods are valued	6(6.3)	10(10.4)	71(74)	8(8.3)	1(1)	2.6146	1.03994
Mistakes are regarded as learning experiences	31(32.3)	37(38.5)	12(12.5)	10(10.4)	6(6.3)	2.1979	1.18428
Employees Involvement							
Management sees matters from employees point of view	2(2.1)	22(22.9)	39(40.6)	22(22.9)	11(11.5)	2.6211	.94732
Management activities generate trust in employees	2(2.1)2	57(59.4)	15(15.6)	17(17.7)	1(1)	2.7234	.87257
Suggestions originating from the employees are carried out at my workplace		14(14.6)	51(53.1)	22(22.9)	9(9.4)	2.7708	1.05111
Opinion							
Enough feedback is given at my workplace	2(2.1)	45(46.5)	29(30.2)	13(13.5)	6(6.3)	2.7396	.94306
Employees are encouraged to freely air their opinions	8(8.3)	35(36.5)	31(32.3)	15(15.6)	7(7.3)	2.7474	.94496
Change							
Change is seen as an opportunity at my workplace	2(2.1)	44(45.8)	35(36.5)	7(7.3)	8(8.3)	2.6667	1.16679
Innovativeness and creativity are thought of as important in my workplace	9(9.4)	47(49)	19(19.8)	9(9.4)	12(12.5)	4.3750	5.15905
Roles							
There is clear division of labour in my workplace		22(22.9)	15(15.6)	46(47.9)	13(13.5)	3.2708	.82691
The workplace has clear rules of conduct	2(2.1)	9(9.4)	12(12.5)	50(52.1)	23(24)	3.8646	.95829
Activities are carried out without delay in my workplace	2(2.1)	32(33.3)	36(37.5)	13(13.5)	13(13.5)	3.0745	1.01853
The workplace offers good opportunities for training and education	1(1)	22(22.9)	15(15.6)	46(47.9)	12(12.5)	3.5053	.98795
Risks							
People are encouraged to take risks at my workplace	8(8.3)	46(47.9)	20(20.8)	15(15.6)	7(7.3)	2.6563	1.07437
The vision at my workplace guides me at my work	23(24)	37(38.5)	16(16.7)	12(12.5)	8(8.3)	2.4271	1.22040

Table 2: Workplace Factors affecting Intrapreneurship

Product development	Never	Very rarely	Occasionally	Most of the time	Always	Mean	Stdv
Teamwork in product development: I like to work in work teams		2(2.1)	6(6.3)	60(61.5)	28(29.2)	4.1895	.64072
It is easy to seek help in my work	1(1)	6(6.3)	12(12.5)	54(56.3)	23(24)	3.9895	.79218
Training and development							
Training and development is taken seriously here		51(53.1)	20(20.8)	12(12.5)	1(1)	2.8421	1.07501
Professional development is important to me	1(1)		5(5.2)	55(57.3)	35(36.5)	4.3158	.56987
Management supports the development of individuals	2(2.1)	27(28.1)	31(32.3)	26(27.1)	8(8.3)	3.1170	.99306
Creativity							
I am able to develop my work myself	2(2.1)	26(27.1)	26(27.1)	16(16.7)	2(2.1)	3.3298	1.07151
I always look for better ways to do things at work.	1(1)	12(12.5)	41(42.7)	32(33.3)	10(10.4)	3.4211	.84525
I always champion my ideas even against others' opposition.	4(4.2)	36(37.5)	28(29.2)	4(4.2)		2.8632	.97425
I always make it happen if I believe in it .No matter the odds		27(28.1)	41(42.7)	10(10.4)	1(1)	3.1789	1.04147
I usually identify a good business opportunity long before others can.	1(1)	8(8.3)	53(55.2)	28(29.2)	6(6.3)	3.3368	.72362
Change management							
I usually fix errors before it's too late	1(1)	4(4.2)	7(7.3)	54(56.3)		4.1158	.79711
I have always been a powerful force for constructive change	1(1)	5(5.2)	16(16.7)	56(58.3)		3.8737	.80215
The organizational boundaries between departments and sections are tight.	3(3.1)	9(9.4)	11(11.5)	61(63.5)	12(12.5)	3.8172	.77944

Table 3: Rate the following statements relating to product development Intrapreneurship

Performance in 2014	Less than 2%	2-5%	5-8%	8-11%	over 11%	NR	Mean	Stdv
Firm's growth rate is:	28(29.2)	36(37.5)	1(1)	10(10.4)	5(5.2)	16(16.7)	1.9875	1.04934
Firm's sales increment :	7(7.3)	31(33.3)	15(15.6)	7(7.3)	8(8.3)	28(29.2)	2.6765	1.16467
Customer retention rate	11(11.5)	12(12.5)	19(19.8)	24(25)	17(17.7)		3.203	1.2848
Firm's operations expansion	6(6.3)	25(26)	5(5.2)	24(25)	13(13.5)	23(24)	3.1781	1.30536
Firm's stock turnover rate	16(16.7)	25(26)	18(18.8)	8(8.3)	7(7.3)	22(22.9)	2.5270	1.21884
Firm's market coverage	10(10.4)	15(15.6)	19(19.8)	16(16.7)	2(2.1)	26(27.1)	3.2361	1.81925

Table 4: Rate the performance of the firm by ticking the appropriate box