

**STRATEGIC DETERMINANTS OF INTRAPRENEURIAL ORIENTATION  
AT THE KENYA INSTITUTE OF MANAGEMENT, KENYA**

**ZEPHANIAH RWANDA MBAKA**

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## DECLARATION

This research project is my own original work and has not been submitted to any other university.

Signed.....Date.....

Zephaniah Mbaka

D530/1033/2013

This thesis has been submitted for examination with our approval as the University Supervisors

Signed.....Date.....

Dr. Winnie Njeru

Department of Business Administration

School of Business

University of Nairobi

Signed.....Date.....

Mr. Samuel Gitonga

Department of Business and Economics

University of Embu

## **DEDICATION**

I dedicate this research proposal to my family for their patience and support while I was undertaking my degree and research work.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ANOVA</b>	Analysis of variance
<b>CEAI</b>	Corporate Entrepreneurship Assessment Instrument
<b>GoK</b>	Government of Kenya
<b>IO</b>	Intrapreneurial Orientation
<b>KIM</b>	Kenya Institute of Management
<b>SPSS</b>	Statistical Package for Social Sciences
<b>TVET</b>	Technical, Vocational Education and Training
<b>TVETA</b>	Technical, Vocational Education and Training Authority



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## ABSTRACT

The global business environment is today faced with uncertainty and various complexities. Innovation, taking risk and ability to pioneer ideas has been proven to contribute immensely to the financial wellness and strategic value of big corporations as well as small and medium enterprises. In the quest to address the causation for intrapreneurial orientation in organisations, the study investigated five independent variables namely; management support, work discretion, rewarding intrapreneurial efforts, time availability and organizational boundaries against one dependent variable, intrapreneurial orientation. The study, therefore, sought to address the strategic determinants of intrapreneurial orientation at the Kenya Institute of Management. The main objective was to establish the strategic determinants of intrapreneurial orientation at the Kenya institute of management. The study population comprised of employees with strategic roles at the Kenya Institute of Management. Census survey was used in the study, data was gathered from every member of the population. Primary data was collected through a structured questionnaire measured on a five point Likert scale. Out of the 108 questionnaires administered, there were 81 responses, a response rate of 75%. A two-step of statistical analysis was applied; the first stage involved descriptive statistical analysis where Means and standard deviations were computed. The second stage involved inferential analysis which was performed to determine the relationship among the variables. The study conducted correlation analysis to test the strength of association between the research variables using Pearson's Product Moment Correlation Coefficient ( $r$ ) statistical tool to help arrive at conclusions. Confirming the researcher's expectations, the study established that, intrapreneurial orientation is largely composed of three indicators. These are; proactiveness, innovation and risk taking, which are the most significant measures of intrapreneurial orientation. The study also established that the main strategic determinants of intrapreneurial orientation are; management support, rewarding intrapreneurial effort, work discretion, time availability and organizational boundaries. The findings were in agreement with previous study results. From the regression model, these five determinants contribute 61% of intrapreneurial orientation at the Kenya Institute of Management. In conclusion management support, work discretion, rewarding intrapreneurial efforts and time availability are the key determinants of intrapreneurial orientation in organizations.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The intrapreneurial way of doing things through corporate structure in the current business world has increasingly become a relevant concept to organizations (private and public sector), including tertiary learning institutions like the Kenya Institute of Management. The global business environment is today faced by uncertainty and various complexities. Change is a phenomenon that organizations can no longer run away from as customer demands, competition and economic turbulence continue to affect business firms (Tak, 2016). Innovative ability is now the new competitive arena. In every industry, innovation and product differentiation is now a key pillar to business growth and sustainability (Molina & Callahan, 2009).

In this new front of competition, companies are borrowing from the principles of intrapreneurship to stay upfront in their strategies. Intrapreneurial activities goes on inside any organization with no consideration to size or business activity, which creates an innovative culture through activities such as; development of new products, and improvement of organizational processes and service (Karimi, Daryani & Rezvanfar, 2011; Antoncic & Hisrich, 2001). Innovation, taking risk and ability to forerun ideas has been proven to be vital to the financial wellness and strategic value of enterprises (Michael, 2016).

As described by Antoncic (2007), intrapreneurship is the process through which employees working for an organization take on opportunities with no consideration to the limitation of resources, at their disposal, by showing deliberate intentions and characteristics that are out of the usual way of carrying out operations to optimize productivity within the organization. Intrapreneurial activities are, therefore, directed towards forming an entrepreneurial culture within an existing organization. Intrapreneurship can also be explained to be a way that offers a firm a strategic solution for refining its business agenda in order to meet growing customer demands and expectations. Intrapreneurial activities are also key to increasing the organization's

competitive position through the improvement of organizational flexibility and creativity (Urbano, Alvarez, & Turro, 2013).

Literature on intrapreneurial orientation shows that there is a high level of agreement among scholars in terms of the significance of intrapreneurship; however, there is no consensus on the actual dimensions of intrapreneurial orientation among those who have conducted research on the construct. The most popularly tested dimensions of intrapreneurial orientation are; establishment of new ventures, new products and business entities, indulging in risk taking, innovative activities in organizations, proactiveness, competitive positioning and the act of self-renewal (Antoncic & Hisrich, (2003); Dess, Ireland, Zahra, Floyd, Janney & Lane, (2003). Antoncic and Hisrich (2003), further argued that by analysing, nurturing and advancing these dimensions, managers could make significant improvements in the performance of their organizations. However, as noted by Urbano *et al.*, (2013) these intrapreneurship dimensions were associated with business firms in developed countries and their linkage with intrapreneurial activities in tertiary learning institutions like KIM required further investigation.

Benefits associated with the intrapreneurship process include; organizational survival, business growth, profitability, self-renewal, vitality, implementation of novel ideas by employees and improving the strategic value of organisations (Belousova *et al.*, 2010). In addition IO helps in boosting the organisation's overall performance and leading to considerable competitive advantage (Ayudurai & Sohail, 2005; Antoncic & Hisrich, 2001). IO also leads to diversified products markets and impressive financial results (Kuratko, Ireland & Hornsby, 2001). Although these findings were associated with business firms of the developed countries, observations based on various studies indicate that learning institutions globally have also embraced these benefits by engaging in intrapreneurial activities as a reform agenda (Nafukho & Wawire, 2003; Williams, 2003 & Neal, 2001).

This study was anchored on three theories, human capital theory, resource based theory and the flexible leadership theory. The human capital theory asserts that the management has a crucial role of supporting its employees to help them emulate intrapreneurship (Zhou & Li (2012). Resource based theory describes an employee as

a valuable organizational asset that requires some autonomy so as to make use of the inherent knowledge and skills. The theory also requires organizations to break organizational boundaries that inhibit intrapreneurial orientation (Nothnagel, 2008). On the other hand, the flexible leadership theory advocates for employees to be allowed time to invest in innovative ideas. The theory further describes work discretion as being important in supporting intrapreneurial orientation (Yukl & Lepsinger, 2004).

Tertiary learning institutions in both public and private sectors are being encouraged to foster intrapreneurial behaviour and innovativeness to ensure success of higher education sector. By becoming intrapreneurial, the institutions will also become more responsive to the changing economic, social and technological realities. Such expectations are expressed in the respective tertiary education policy documents, strategic plans and Tertiary and Vocational Education and Training Authority guidelines.

In the African domain, companies most often focus on standardizing their internal systems and structures. Departments in such organizations are the most common form of rigid structures; employees in these units do not look beyond their units (Berszinn-Cordes, 2013). Competition for resources makes the organization to only direct funds to mainstream investments, ignoring individual employees' initiatives. There are no incentives for enterprising employees and the management does not mentor intrapreneurial employees. Very little time is left to employees to engage in idea searching and innovation (Tuominen, Ahola & Malmberg, 2013). While it is an uphill task to initiate the idea of intrapreneurship within organizations in Africa and the developing countries, ignoring the idea is suicidal to the survival of firms.

The emphasis of fostering intrapreneurial spirit in employees of institutions in the tertiary education sector in Kenya is pivotal in growing the industry and making the institutions in the sector competitive (Michubu, 2015). The Kenya Institute of Management has tried to encourage innovation through rewarding of intrapreneurial efforts. In 2014, the institute formed an innovation committee whose mandate was to identify innovative ideas by employees and vetting them in the aim of rewarding intrapreneurial efforts. The committee has since been unable to identify any substantive intrapreneurial effort from the institute's employees. There are clear

indications that intrapreneurial orientation at the institute has not been fully embraced. (Kenya Institute of Management, 2016).

### **1.1.1 The Concept of Intrapreneurial Orientation**

The concept of intrapreneurship has been drawn from the notion of independent entrepreneurship. According to Hisrich and Peters (2002), entrepreneurship is the process of creating a new thing through the allocation of needed time, resources and taking risk so as to benefit from monetary value and personal satisfaction. According to Muthami (2014), the definition of entrepreneurship, by Hisrich and Peters can be applied to intrapreneurship to a small extent.

The difference between entrepreneurship and Intrapreneurship is brought by the existence of organisational boundaries in regards to intrapreneurship, which implies less autonomy, limited risk, and minimal rewards compared to entrepreneurship. Therefore, the concept of intrapreneurship traces its roots from the popular and better understood discipline of entrepreneurship. From a broad perspective, intrapreneurship refers to practice of entrepreneurial concepts in an existing firm (Kuratko *et al.*, 2001).

### **1.1.2 Strategic Determinants of Intrapreneurial Orientation**

Intrapreneurial orientation is influenced by both organisational and individual characteristics. Individual characteristics like enthusiasm and creativity, however, affect entrepreneurial tendencies than they do to intrapreneurship. Although there is no confirmed correlation between individual staff factors and intrapreneurial activities in an organisation, Rutherford and Holt (2007) and Zhao (2005), have upheld the importance of employees (intrapreneurs) as an important asset in today's knowledge-based economy. These are the people who initiate and carry out intrapreneurial activities in an organization.

Organisations are today expected to become innovative, proactive and take risks through the initiatives of the intrapreneurs. Steele and Murray (2004), further supported that employees are a potential resource or intellectual capital who add value and long-term investment in organizations. Such employees should then be regarded



as co-operating organizational members who initiate actions to fill the currently unsatisfied needs and claims or do more efficiently what is already being done.

The strategic environment and professionals within the organisation highly influence the intrapreneurial orientation of the firm (Chigamba, Rungani, & Mudenda, 2014). There exists a positive relationship between intrapreneurial activities and tangible and intangible results in organizational performance (Ireland, Kuratko, & Morris, 2006; Kuratko *et al.*, 2001; Antoncic & Hisrich, 2001). Based on this perception, researchers have been actively trying to identify factors that promote and diffuse intrapreneurial activities in organizations. Antoncic and Hisrich (2004), argued that internal organization factors were the most defining factors of intrapreneurial activities because this set of antecedents can be directly influenced by the organization. The internal organisation factors that have been studied mostly include: management support, work discretion, rewards, time availability and organizational boundaries (Hornsby *et al.*, 2002).

In general, organizations with innovative climate or culture are expected to be more receptive to intrapreneurial activities. Additionally, non-hierarchical based organizations are expected to be more receptive to intrapreneurial activities because the individual employees (intrapreneurs) have more autonomy that stimulate these activities. For non-profit organizations like KIM, to foster successful intrapreneurial activities they require to create a conducive environment that incorporates employee participation. KIM should also have an adaptive and learning internal environment with a flat flexible structure and a culture of trust and creativity. The study will therefore concentrate on these factors that strategically affect intrapreneurship in the organization.

### **1.1.3 Strategic Determinants and Intrapreneurial Orientation**

Conducive intrapreneurial climate exists when certain strategic factors are in place in the organization. These are mainly the organizational based characteristics which are now referred to as strategic determinants (Chigamba *et al.*, 2014). When the determinants exist at an optimal level, intrapreneurship opportunities are usually available. When combined with the individual intrapreneurial characteristics in

employees, there is high probability that there will be exploitation of the opportunities. The end result of the existence of strategic determinants in the firm is intrapreneurial orientation of its staff (Akintunde, 2013).

When the strategic determinants of IO are limited in an organization, intrapreneurial activities in the organization are minimal. Intrapreneurial orientation, being related to entrepreneurial orientation, only thrives when certain catalysts exist in the organization. These catalysts are what are referred to as “Strategic determinants of IO” in the study (Naliaka & Wamalwa, 2010).

#### **1.1.4 The Kenya Institute of Management**

The Kenya Institute of Management was founded in 1954 by the British managers working in Kenya around the Rift Valley region as a non-profit making institute. The institute’s core mandate was to cater for the training needs of the managers in the field of management. After the country attained independence, the institute’s membership base grew and spread to the whole country and was later registered as a non-profit making institution. Later the institute diversified its operations to a training institution in management courses and established a branch network in major towns in the country; the institute has 22 branches today. Currently the institute’s core business is training in professional diploma in management, capacity building for organisations and individuals, business research and offering of other customized consultancies in management and leadership.

The Kenya Institute of Management is currently under the regulation of the Training, Vocational Education and Training Authority. Just like the other sectors of the Kenyan economy, the TVET sector has been depressed in terms of growth and profitability. The intense competition has particularly increased rivalry among the industry players. The privately owned institutions of higher learning have experienced low business in recent times. The level of innovation and differentiation of services among training institutions has been cited as the main factor that has made the sector to stagnate (Nafukho, Muyia, & Irby, 2014). The volatile business environment has been identified by the KIM management to have negative impact on growth and sustainability of business by the institute.

## 1.2 Problem Statement

Despite the fact that the construct of intrapreneurship started evolving three decades ago, the phenomenon is still being termed as a new field of research because there has been no consensus, not just on the content of the concept, but also on the terms to be used to describe it (Naliaka & Wamalwa, 2014). The terms used to describe the phenomenon of intrapreneurship vary from corporate venturing, internal corporate entrepreneurship, corporate entrepreneurship and intrapreneurship. The disparities in the description of the construct leaves room for more research on the subject. Equally, the theoretical developments on intrapreneurship and intrapreneurial orientation still remain at an infant stage.

Cooper and Schindler (2014), assert that intrapreneurial orientation in both academics and practice is an important aspect of organizational and economic growth through its ability to provide self-renewal and competitiveness. However, most research on the concept mainly focused on large corporations primarily in the U.S.A context. The approach ignored that intrapreneurship is equally a unique strategic tool for medium and small enterprises. Pinchot (1985); Hornsby *et al.*, (2002); Altinay and Altinay (2004) and Skovvang (2005) considered intrapreneurship as a phenomenon only important to large organizations.

Wortman (1987) describes intrapreneurial orientation as a concept that is important to self-renewal of all firms, large, small, start-ups and mature organizations and recommends that research be carried separately for these organizations since the concept applies differently in each one of them. The concept of intrapreneurship has also not been addressed across different cultures and economies. According to Antoncic (2007) and Hisrich (2004) intrapreneurship theory has an American foundation, and hint that the theory lacks a global orientation. In this view, generalizing the theory and instruments through findings from studies done on the basis of scanty cross-cultural testing leaves a big research gap.

In Africa, there are very limited studies on intrapreneurship. Chigamba, *et al.*, (2014) conducted a study on the determinants of corporate entrepreneurship for firms in adventure tourism sector in South Africa. The study used a cross-sectional survey design. The findings of the study were that there are twelve strategic determinants of

corporate entrepreneurship; resources and time, innovativeness and creativity, work discretion and discretionary time, rewards, vision and strategic intent, tolerance of risk, management support, strong customer orientation, flat organisational structure, continuous learning, team work and diversity and entrepreneurial leadership. The factors described by Chigamba *et al.*, (2014) are many and so disintegrated for generalization.

In Kenya, there has been very minimal research in the field of intrapreneurship. Naliaka and Wamalwa (2010) in their study on perceptions of Kenyan managers on corporate entrepreneurship and innovation used descriptive survey design and established that top management plays a key role in boosting intrapreneurial orientation in the organization. However, the study focused on only one variable, management attitude which is quite narrow.

Muthami (2014) carried out a study on the strategic determinants of intrapreneurship in Educational institutions in Kenya and concluded that management support, work discretion, rewards, time availability and organisational boundaries are the main determinants of IO. The context of the study was secondary schools at the coastal region of Kenya. There is inconsistency in the findings from these previous studies on strategic determinants of intrapreneurial orientation. While Chigamba *et al.*, identified twelve factors that influenced IO, Naliaka and Wamalwa (2010), identified only one and Muthami (2014) five. The study therefore sought to establish which strategic determinants of intrapreneurial orientation are the most important to the Kenya Institute of Management.

### **1.3 General Objective**

The main objective of the study was to establish the strategic determinants of intrapreneurial orientation at the Kenya institute of management.

#### **1.3.1 Specific Objectives**

The objectives of this study were as follows.

- i) To determine the extent to which the top management influences intrapreneurial orientation at KIM

- ii) To assess the level to which work discretion influences intrapreneurial orientation at KIM
- iii) To examine the impact of rewarding intrapreneurial practices on intrapreneurial orientation at KIM.
- iv) To assess the level to which adequate time availability influence intrapreneurial orientation at KIM.
- v) To determine the extent to which organizational boundaries influence intrapreneurial orientation at KIM.

#### **1.4 Research Questions**

The study sought to answer the following five research questions.

- i) To what extent does the top management support influence intrapreneurial orientation at KIM?
- ii) To what level does work discretion influence intrapreneurial orientation at KIM?
- iii) What impact does rewarding intrapreneurial practices has on intrapreneurial orientation at KIM?
- iv) To what level does time availability influence intrapreneurial orientation at KIM?
- v) To what extent do organizational boundaries influence intrapreneurial orientation at KIM?

#### **1.5 Scope of the Study**

The study focused on employees with a strategic role at the Kenya Institute of Management. The respondents comprised of employees in a management position, mainly managers and training officers in all departments of the institute. All the 22 branches across Kenya and six strategic business units of the institute were covered by the study.

#### **1.6 Value of the Study**

To academicians and other researchers, the study adds to their pool of theoretical knowledge and practical experience in regard to the determinants of intrapreneurship.

The study also, provides insights for Intrapreneurship research and provides academicians with areas that require further study. Through this study, practitioners of strategic management will better their understanding of factors that deter or inhibit corporate entrepreneurship in organizations.

The findings of the study are fundamental to all organizations in their quest to spur entrepreneurial behaviour among their employees. More specifically, the management of Kenya Institute of Management will know the factors that can help cultivate the culture of intrapreneurship in the organization, which will be crucial in motivating innovation and grow the institute's business. The findings and recommendations of this study will be essential to policy making by institutions, including the government and private organizations; these institutions will know how best to improve the practice of intrapreneurship in business firms. The benefits reaped by organizations through intrapreneurship will impact positively to the Kenyan economy.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter presents an analysis of the theories that have contributed to the development of the concept of intrapreneurship. The empirical review of work by previous researchers that this study will highly borrow from will also be put under scrutiny in order to get the existing gaps in the field of intrapreneurship.

#### **2.2 Theoretical Review**

The study was anchored on three theories; human capital theory, resource based theory and the flexible leadership theory. The three theories will help in explaining about the phenomena under study.

##### **2.2.1 The Human Capital Theory**

The human capital theory was conceptualized by Schultz (1961). The theory views human capital as the individual's ability to adapt to changing business environment and "disequilibrium" situations. Becker and Gary Stanley (1964), explains human capital as a stock skills, knowledge and experience necessary in the production process. Organizations require an efficient and effective human resource in order to achieve high productivity. Intrapreneurial human capital relates to an employee's experience, skills and knowledge, essential to performing the given task.

With highly skilled and motivated employees, a firm can achieve high levels of efficiency and innovative orientation. Zhou and Li (2012), focused on the effects of knowledge on radical innovation in knowledge base, market knowledge acquisition, and internal knowledge sharing. The study explained how through the human capital theory impacts on organizational performance. They observed that knowledge breadth and depth are dependent on acquisition of market knowledge sharing in opposite ways. In the current global business environment, knowledge experts should stay ahead in offering new skills in order to help organizations remain competitive. It is therefore expected that the top management of organizations should offer support to its

employees for purposes of continuous learning and acquisition of more skills. By doing so, the individual employees' intrapreneurial orientation is improved, making the employee to be more innovative (Schick & Nova South-Eastern University, 2008).

### **2.2.2 Resource Based Theory**

Kraaijenbrink *et al.*, (2010), asserts that the resource based theory focuses on the innovative and efficient use of resources to attain a high organizational performance. The theory seeks to explain how to acquire and sustain a firm's competitive advantage from internal sources. Intellectual capital, as claimed by Barney and Clark (2007) is the most crucial source of a firm's competitive advantage. The resource based theory states that unrivalled and sustainable competitive advantage can be achieved through a firm's internal resources that cannot be imitated by the competitors.

Resources within an organisation are categorized as either tangible or intangible, the latter being the most relevant in the current study (Nothnagel, 2008). People dependent skills such as specific know how, capabilities or expertise are resources that no firm can ignore. An Intrapreneuring employee is more likely to possess the above qualities. The resource based theory further differentiates between static and dynamic capabilities. Static capabilities are less flexible and are more specialized compared to dynamic capabilities which are very flexible and adaptable to the changing business and work environments. Work discretion highly borrows from the individual's dynamic capabilities (Helfat, 2003).

### **2.2.3 Flexible Leadership Theory**

Flexible leadership theory borrows from different literatures that include, change management, leadership, organization theory, human resource management and strategic management (Higgs & Aitken, 2009). The theory emphasizes the need to influence a firm's innovative capabilities, human resource and efficiency, which are the key determinants to a company's financial performance. The flexible leadership theory was adopted due to the need for a strategic leadership model that puts together different ideas and theories to achieve optimal firm strategic direction. According to the theory, human capital is directly related to firm performance since it influences



factors that directly relates to performance like innovation and efficiency (Napoli *et al.*, 2016).

Companies with flexible leaders are more adaptable to changing situations. Such leaders maintain high employee morale necessarily for innovation and self-renewal (Yukl & Lepsinger, 2004). It is this view that makes organizations to reward intrapreneurial efforts. In addition, flexible leaders will allow their employees to have free time that they can use to generate and incubate ideas. Also, such leadership will always allocate enough resources to innovative ideas and hence help in developing an intrapreneuring culture in the organization.

### **2.3 Conceptual Framework**

Intrapreneurial Orientation is influenced by the five independent factors, management support, work discretion, rewarding of intrapreneurial efforts, time availability and organizational boundaries.

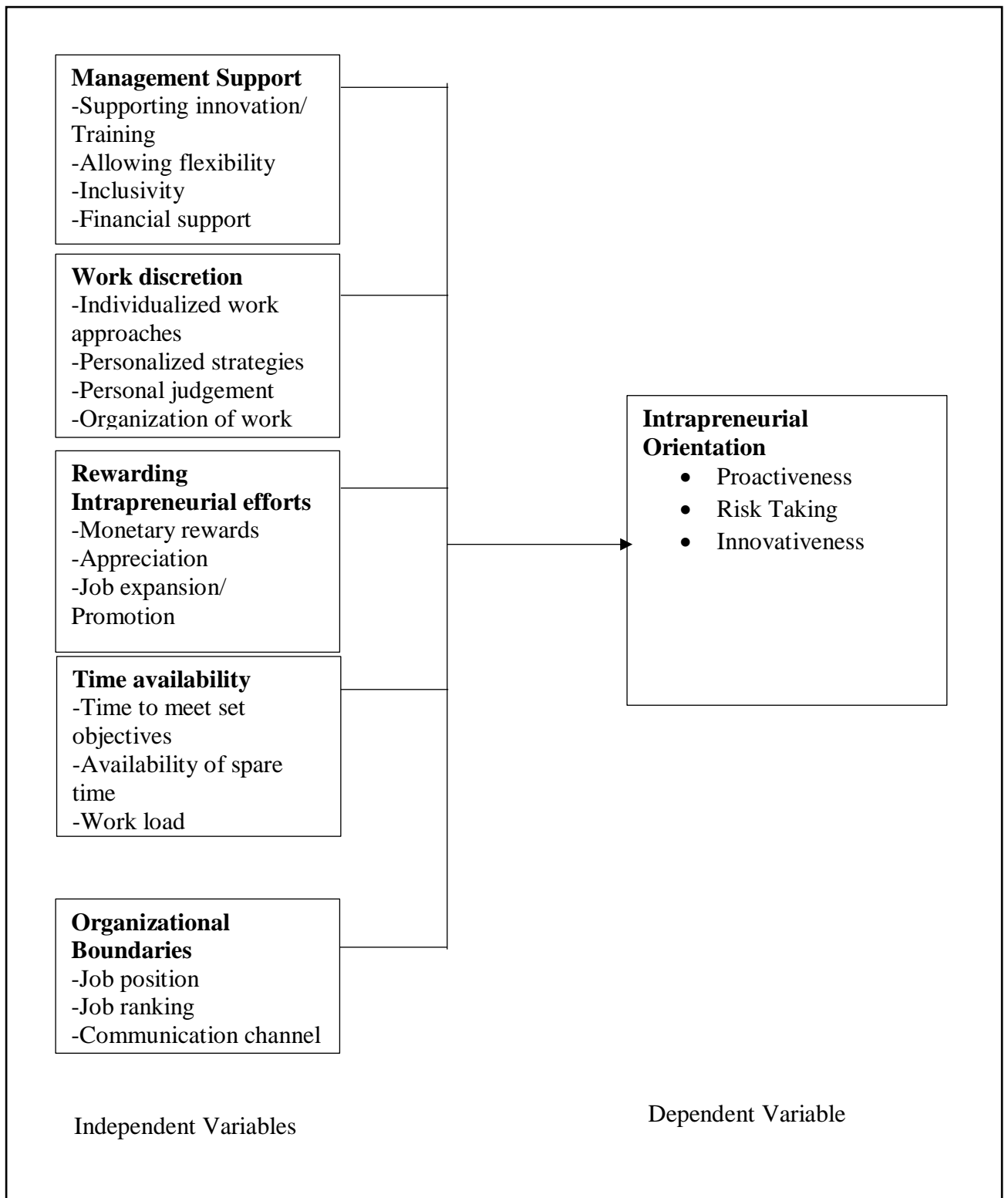


Figure 2.1: Conceptual Framework

## **2.4 The Scope of Intrapreneurship**

Intrapreneurship closely relates to entrepreneurship and thus there are a lot of behavioural characteristics shared by the two constructs. The key activities associated with intrapreneurship include; perceiving an opportunity, generating ideas, building of new products or brands and applying the necessary resources to implement the new idea. Behavioural aspects borrowed from entrepreneurship include personal initiative, actively searching for information, innovative thinking, championing for new working methods, taking charge and risk taking.

Three different conceptual avenues of looking at the concept of intrapreneurship exists. Sathe (2009) proposes the first as the act of chasing an entrepreneurial opportunity. The approach consists of development of new products and services, searching for new geographical markets or establishment of new production processes. The view is quite comprehensive as it covers the basis of entrepreneurship, which is in line with the thoughts of both the Kirznerian and the Schumpeterian explanation of entrepreneurial opportunities (Sathe, 2003).

The other view is the act of new entry to a market (Lumpkin & Dess, 2001). Market entry encompasses exploring virgin markets with new products, entering already existing markets with new products or bringing existing goods or services to newly established markets. Introduction of existing goods or services to new markets may be described as replicating rather than innovating. The concept is seen to fit well in the case of Intrapreneuring. The third approach is the creation of a new organization. In this case, entrepreneurship is seen as an act of forming a new organization. Through this particular view, intrapreneurship may be looked at as either an act of innovation or replication, though it still should always be associated to some level of internal start-up; for instance creation of a new venture, a new subsidiary, a new outlet or a new business unit.

Various schools of thought also describe an intrapreneurial entity as one which not only builds new knowledge in a continuous manner, but which facilitates learning (Jones, 2010; Daft, 2007; Kreitner & Kinicki, 2001). In this case, the organisation creates and facilitates acquisition and transfer of knowledge, which changes the way

it behaves in terms of new knowledge and insight in a proactive manner. When this happens, information and knowledge is evenly distributed throughout the organisation, rather than being concentrated at the top level of management (Daft, 2007; Hill, 2003). The issue of conceiving and growing an organizational set up to promote creativity and innovation hence becomes a very strategic issue to organizations. The ability to continuously develop new and improved ways of working provides organizations with a more sustainable competitive advantage in the market place or in the industry they operate (Hill, 2003).

It is important to note that in a learning institutions, such as KIM, organizational structures are different. In this case, they are mainly horizontal and involves empowerment of employees working directly with clients. Where such structures, exists, there should be limited rules and operating procedures when completing tasks. Knowledge management and performing of tasks is mainly left to employees rather than the management. While each Intrapreneuring company is supposed to put in place procedures and rules of operation, Mokaya (2012), explains that organizations which never adhere to the changing business situations and environment will be phased out for lack of competitiveness.

## **2.5 Intrapreneurial Orientation**

The genesis of the concept of intrapreneurship is new venture formation. In addition, intrapreneurship entails other innovative activities like introduction of new markets, products, services, strategic orientation and technologies (Fayolle *et al.*, 2015). From the strategic management perspective, intrapreneurship is described as a way in which an organization can achieve diversification through internal development. The broader concept of intrapreneurial orientation is a description of intrapreneurial characteristics present in an existing organization (Kuratko *et al.*, 2011).

IO includes acts of creativity, sense of initiative, proactiveness, determination, autonomy, responsibility and risk taking. However, proactiveness, risk taking and innovation are seen as the main roots of intrapreneurial behaviour. The three will therefore be the basis of measuring intrapreneurial orientation in this study (Fayolle *et al.*, 2015).

### **2.5.1 Proactiveness**

Proactive people are individuals who always take the initiative of controlling their environment rather than reacting to events after they occur (Bateman & Crant 1993). Crant (2001) asserts that proactive people are more likely to succeed in their careers because they take the initiative to learn and develop their skills voluntarily while performing their jobs. Proactive people are therefore competent to work in a dynamic business environment because they strive to get the best out of their jobs. Generally, both production and service industries involve activities that require some degree of Proactiveness; like determination of the most appropriate products or services, active follow up on prospective customers and identification of unmet client needs.

An employee that proactively engages in seeking new opportunities becomes knowledgeable of the potential markets and is able to make informed decisions. Previous studies have not clearly shown the link between proactive behaviour and intrapreneurship. In addition the studies have not concluded how proactiveness correlates to other organizational factors. The study will therefore add empirical evidence on the relationship between these variables.

### **2.5.2 Risk Taking**

Risk taking is associated with venturing into unknown (Lumpkin & Dess, 2001). In every business activity, there exists some level of uncertainty, monetary, social or psychological. In the service industry, which is the context of this study, there are more risks associated with customer satisfaction compared to manufacturing industry. Measuring value of training services is elusive, the service provider only waits to see how the reaction of customers over time, analyse trends and determine how to improve on internal processes.

According to Antoncic (2003), individual decision making is highly influenced by the degree of risk associated with the available alternatives. Employees who are willing and able to engage in risky behaviour are more comfortable operating in the changing business environment. Such individuals are more adaptable to new ways of doing things which in turn helps the organization to absorb market pressure (Antonsic, 2003).

### **2.5.3 Innovativeness**

Innovation is instrumental to the success of organizations especially where individuals in the firm go out of their way to identify the best way to satisfy the needs of their customers. Darroch and McNaughton (2002), asserts that innovation is the best tools that can help firms to remain competitive in the ever evolving business environment. Today's customer is demanding unique products that have been customized to meet individual needs and sales solutions that create a long lasting relationship. Adoption of creative and innovative methodologies is a common characteristic among performing employees. As such, innovation becomes the backbone of intrapreneurship (Nkosi, 2012).

Several authors have found a positive correlation between innovativeness and IO. Bradmore (1996), found out that innovation facilitates organizational performance via effective implementation of new ideas. According to Neely and Hii (2014), innovation strengthens the firm's competitiveness and generally improves the internal capabilities of the organization and hence makes it more adaptable to change and market pressure unlike non- innovative firms.

## **2.6 Strategic Determinants of Intrapreneurial Orientation**

Hornsby *et al.*, (2002) and Kuratko *et al.*, (2011) identified five factors that influence intrapreneurial tendencies: management support, work discretion, time availability, organizational structure and reward systems. These factors are consistent with the main literature of this study. However, Kuratko *et al.*, (2004) only identified organizational structure, management support and rewards to be essential enablers of intrapreneurship. On his part, Pinchot (1985) classified the factors that enable intrapreneurship into two; internal factors and external factors. Pinchot settled on resource availability, work discretion, taking risk, knowledge acquisition and rewards as the most essential facilitators of intrapreneurship.

Many other researchers adopted the classification introduced by Pinchot (internal and external) to categorize factors that influence intrapreneurship in companies as is evident in Hisrich (2004) and Zahra (2005) works. This study only focused on internal

factors, which KIM can influence or modify. The study will adopt the five main factors (management support, work discretion, time availability, organizational structure and rewards) to direct the research.

### **2.6.1 Management Support**

The actions by the top organization leadership in promoting intrapreneurship largely influences the intrapreneurship mind set of other staff (Rutherford & Holt, 2007). In a different study, Holt, Rutherford and Cohessy (2007), found out that management support had significant effect on intrapreneurial practices and behaviour.

De Coning (1992), recommends that the top managers should do away with unnecessary bureaucracy that hinders employees from identifying and exploiting new opportunities. According to De Coning, elements such as visions that are futuristic may deter progressive thoughts until the stated future time is ripe. The top leadership should also act as role models to their juniors. The author further notes that when top managers fail to support employee initiatives and does not offer room for mistakes, intrapreneurial behaviour is impeded. Employees only make use of their entrepreneurial abilities when they are mentored, coached and offered an enabling environment (Naliaka & Wamalwa, 2010).

### **2.6.2 Work Discretion**

According to Kuratko, Ireland, Covin & Hornsby (2008), work discretion is a reflection of top managers' degree of tolerating failure, provision of freedom to make decision, avoidance of unnecessary oversight and delegation of authority to lower cadre employees, especially middle level managers. Rutherford and Cohessy (2007) found work discretion to be a core determinant of intrapreneurial behaviour among employees. Mistakes made by employees whilst they are practising intrapreneurship should not be used to condemn them.

Intrapreneurship involves risk taking and hence mistakes are inevitable. Just like entrepreneurs, it has been confirmed that intrapreneurs highly value autonomy and independence, which arises from the fear to be controlled by others. Autonomy is a key catalyst for both entrepreneurs and intrapreneurs (Muthami, 2014). However, it is

not clear whether individuals who value autonomy venture into new businesses because they want autonomy or because they want to avoid being controlled by others.

### **2.6.3 Time Availability**

Time is an important factor in the process of idea incubation and their implementation. Hornsby *et al.*, (1993) observes that companies should allow employees time to exercise intrapreneurial activities even as they work on the set organizational objectives. Kuratko *et al.*, (1990), further notes that employees will only adopt intrapreneurial behaviour if they have availability of uncontrolled time. Enthusiastic intrapreneurs make use of their spare time to pioneer and actualize their innovative idea. Therefore, availability of time is core to employees both for their routine duties and intrapreneurial endeavours.

According to Burgelman (1984), free time catalyses the will of employees to take risk and put their intrapreneurial thoughts into practise. According to Muthami (2014), time availability makes employees to think and act in an intrapreneurial manner. Routine duties that are structured to occupy the employ all day, leaving no free time, discourage intrapreneurship in the organization. It is very unlikely that employees will engage in innovative activities outside their working hours (Muthami, 2014).

### **2.6.4 Organizational Boundaries**

Altinay & Altinay (2004), noted a positive correlation between decentralization of the structure and intrapreneurial tendencies. The researchers explained that the association can be attributed to enhanced autonomy and freedom in the use of resources, which supports employees to identify, start and test new ventures. According to the study, a flattened and informal structure aids in transfer of information, empowering of employees, encouraging employee participation and initiative and hence facilitating intrapreneurship.

Bhardwarwarj, Sushil & Momaya (2011) also agree that making the organizational structure flexible and removing institutional boundaries help to instil intrapreneurial behaviour in employees. The organizational boundaries either imagined or real should



be scrapped to make employees think about the firm broadly (Hornsby *et al.*, 2002). Employees should have a mind-set of tackling problems that are not in their line of duty. Christensen (2005), observes that a good organizational structure is one that facilitates flow of knowledge and sharing of resources across the firm. In addition, organizations should avoid rigid and standard working procedures.

### **2.6.5 Rewarding Intrapreneurial Employees**

Firms are expected to put in place a reward and reinforcement system that encourages intrapreneurship. Such a system should encourage and motivate employees to exhibit an innovative and entrepreneurial behaviour (Bowen, 2000). According to Hornsby *et al.*, (2002) the reward structure should emphasize on individual responsibility as well as offer an effective feedback channel. All incentives given to employees should also be based on results. Markides and Geroski, (2005) assert that human beings have different aspects that motivate them. Entrepreneurs may derive their motivation from success, pride and rewards that come from starting their own enterprises, however intrapreneurs seek incentives that are not clearly understood.

Morris and Kuratko (2002), argue that intrapreneurs get motivated by things and aspects that are controllable including a regular salary, commissions, allowances, trips, conferences, opportunity to buy company shares, job security, recognition, autonomy at work and financial support. However, it is practically difficult to differentiate between incentives for entrepreneurs and intrapreneurs since individual attitudes and preferences also influence what motivates different people. Rewards structure is not enough, (Hornsby *et al.*, 2002; Sathe, 2003), provision of financial and physical resources is the starting point. Sathe (2003) further explains that as firms grow and become more sophisticated, they should initiate ways of nurturing and empowering employees so that they can be innovative and seek entrepreneurial opportunities.

### **2.7 Summary of Empirical Review**

The table below gives an overview of previous studies on the topic under study. The summary highlights the findings by the researchers and existing knowledge gaps that this study seeks to address.

Table 2.1: Summary of Empirical Review

Study	Study Title	Findings	Knowledge Gaps	Focus of Study
Pinchot, G. (1985)	Intrapreneuring: Why you don't have to leave the corporation to become an entrepreneur	Employees can enjoy practising entrepreneurship while still working for an organisation through intrapreneurship	-The study was based in the US -The study did not focus on specific factors affecting intrapreneurship	-The context of the study is TIVET institutions in Kenya -Factors influencing intrapreneurial behaviour will be addressed.
Hornsby, J. S., Kuratko, D. F., & Zahra, S. A. (2002)	Middle managers' perception of the internal environment for corporate entrepreneurship: assessing a measurement scale	Intrapreneurship is facilitated by rewards, autonomy, management support, organizational structure and time availability	-The research was not conducted in the Kenyan context -Only focused on middle managers and not all employees	- The study will cover all employees that are involved in strategic processes at KIM
Altinay, L., & Altinay, M. (2004)	The influence of organisational structure on entrepreneurial orientation and expansion performance	Organisational structure has significant influence on intrapreneurial behaviour	-Research was based on only one independent variable (organisational structure)	- Five independent variables will guide the study
Skovvang Christensen, K. (2005)	Enabling intrapreneurship: the case of a knowledge-intensive industrial company	Enablers of intrapreneurship are many and diverse, however management support, is the core factor	-Based on an industrial sector, did not generalize to cover education sector	- The study will be on service industry; TIVET institutions in Kenya
Sylvia Naliaka, & Wamalwa (2010)	Perceptions of Kenyan Managers on Corporate Entrepreneurship and Innovation	Top management plays a key role in boosting intrapreneurship in organisations	-Focused on one variable, (management attitude)	-The study will focus on factors that influence intrapreneurial orientation
Kuratko, D. F., Morris, M. H., & Covin, J. G. (2011).	Corporate innovation and entrepreneurship: Entrepreneurial development within organizations	Identified innovativeness, proactiveness, risk-taking, employee satisfaction and autonomy as key determinants of intrapreneurship	- The study was based on secondary data (No primary data collected)	- The study will be empirically conducted, primary data will be collected and analysed
Muthami, K. T. (2014)	Strategic Determinants of Intrapreneurship of Education Institutions in Kenya	Concluded that determinants of intrapreneurship in secondary schools in Kenya are management support, reward systems, work discretion, time availability and organisational boundaries	-The study was based on non-revenue generating institutions.	- The study will focus on TIVET institutions in Kenya, case of KIM

## 2.8 Research Gaps

Many of the prior Studies have found varying strategic determinants of intrapreneurial orientation (Pinchot, 1985; Hornsby *et al.*, 2002; Altinay & Altinay, 2004; Skovvang, 2005; Naliaka & Wamalwa, 2010; Kuratko *et al.*, 2011; Muthami, 2014). Only five factors, management support, work discretion, time availability, organizational boundaries and rewarding intrapreneurial efforts, recurred across a majority of the studies. The context of the studies differed widely and all the researchers employed different methodologies to carry out their studies. Many studies have been done on the concept of intrapreneurship, however, none of the studies focused on TVET institutions or the higher education sector in the Kenyan context.

In addition, the scope of the studies appears to differ widely on their methodology, findings and conclusions. Hornsby *et al.*, (2002) based their study on middle level managers while several other studies (Skovvang, 2005; Naliaka & Wamalwa, 2010; Kuratko *et al.*, 2011) focused on the senior management. While Muthami (2014) came close to the proposed study while studying the strategic determinants of intrapreneurship in Education institutions in Kenya, the study failed to acknowledge the existence of differing business environment between institutions offering basic education and those under TVET. The study, therefore, borrowed from the generally common factors and methodology.

Most of the reviewed literature used a theoretical approach. This study applied an empirical explanatory and descriptive approach using questionnaires to collect primary data from KIM branch officers, unit managers and departmental heads across the institute's branches and strategic business units. Recognition of the importance of proper intrapreneurial orientation in improving the institute's competitiveness and survival, coupled with the recommendations made for further research, as well as paucity of local empirical literature on determinants of these activities in a Kenyan context, justified the need for a detailed study on the subject matter to fill these gaps.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the research methodology used to generate and analyse data in line with the research problem, objectives and questions of the study on strategic determinants that influence intrapreneurial orientation at the Kenya Institute of Management. Items in the chapter includes the research design, target population, procedures of sampling, data collection methods, processing and analysis and measurement of the variables.

#### **3.2 Research Design**

Cooper and Schindler (2002) define research design as a plan or investigation structure used to obtain answers on the research questions. The study adopted a descriptive cross-sectional survey design since the focus was on describing the phenomenon. According to Creswell (2013) describing design is the best to use when collecting information on an existing or present situation. A cross-sectional study involves observation of subjects at single point in time.

#### **3.3 Target Population**

Cooper and Schindler (2014), defined a target population as a universal study set of all members of people, events or objects to which a researcher generalizes findings. The target population of the study was the 108 employees with strategic roles at the Kenya Institute of Management. Skovvang (2005), while conducting his study, recommended that all employees with strategic roles require intrapreneurial orientation to help an organization achieve its innovative objectives.

#### **3.4 Data Collection Instruments**

A self-administered questionnaire was used to collect primary data from respondents. Zikmund (2013) noted that a questionnaire is sufficient to collect objective data since the researcher's interference and manipulation is minimal. Also, questionnaires are cheap and require less time to administer. The questionnaire was adopted from

Corporate Entrepreneurial Assessment Instrument (CEAI) measures developed by Hornsby *et al.*, (2002) then modified to suit the context of the study. The questionnaire used a five point Likert type interval scale. Creswell (2013), describes data collection procedure as a way through which data is collected from the subjects under study. Secondary data was drawn from published documents with materials about the institute and Kenyan government publications on the higher education sector.

### **3.5 Pretesting of Research Instrument**

A pilot study is necessary to detect any weakness on the design or instrument to be used in a study (Cooper & Schindler, 2010). A pilot study was conducted at Achievers college of Business studies where 15 questionnaires were issued. Achievers College, is a TVET learning institution and hence was sufficient for the pilot study. The study was important in determining the suitability of the questionnaire to collect data. Cooper and Schindler (2010) states that 1% of the sample is appropriate to conduct a pilot test. The pilot study helped the researcher to ascertain the validity and reliability of the tool.

#### **3.5.1 Reliability Test**

Tavakol and Dennick (2011), recommends the use of Cronbach's alpha which is a measure used to ascertain the internal consistency of a scale. The Cronbach's alpha has a scale ranging from zero to one, with zero indicating no internal consistency and one showing maximum internal consistency. The study adopted a cut-off point of 0.5 as a sufficient measure of reliability. The rule of the thumb, as advised by Nunnally (1978) is that 0.5 is an acceptable level of consistency. The study hence used the measure to help describe the degree to which all the items of the scale measure the same construct therefore assist to determine the reliability of the tool.

#### **3.5.2 Validity Test**

Validity test was done to assist in determining whether the tool will measure what the researcher intends to measure. The test was crucial in eliminating systematic errors in the tool. Construct validity was tested by comparing the findings with the theoretical concept being measured (Creswell, 2013).

### **3.6 Data Processing and Analysis**

Data analysis began with field editing to ensure that data is accurate, consistent with other facts gathered, uniformly entered, complete and well arranged to facilitate coding and tabulation. Tabulation was then be done to summarize the raw data and arrange it in a logical manner. Hand tabulation was used since the number of questionnaires is small and are of a manageable length. The descriptive and inferential statistics analysis was done using Statistical Package for Social Sciences (SPSS) version 23.

Secondary data was analysed through conceptual focus, where the researcher had a new perspective from the original research. Part of the secondary data collected was used to draw new perspectives from the data to support the study and make conclusions.

#### **3.6.1 Descriptive Statistics**

Kothari (2004), recommends a two-step statistical analysis; the first stage involved descriptive statistical analysis. Descriptive statistics enables the description and comparison of variables numerically (Mugenda & Mugenda, 2003). The main objective of the descriptive statistics is to describe a situation by summarizing information in a way that it highlights the important numerical features of the data. Data was analysed and presented following the pattern of the study questions. Data was summarized and presented in percentages and frequencies to show how many times a score occurs and also the probability of occurrence. Thus frequency distribution tables were used. Means and standard deviations were computed to show the average response of the variable items and to indicate the extent to which the scores deviated from the mean.

#### **3.6.2 Correlation Analysis**

The second stage involved inferential analysis which was performed to determine the relationship among the variables. The study conducted correlation analysis to test the strength of association between the research variables using Pearson's Product Moment Correlation Coefficient ( $r$ ) statistical tool to help arrive at conclusions. Correlation is a measure of the relationship or association between two continuous

numeric variables. Correlation indicates both direction and degree to which the variables co-vary with each other from case to case without implying that one is causing the other. A correlation analysis results gives a correlation coefficient which measures the linear association between two variables. Values of correlation coefficient range between -1 and +1 denoting a negative and positive linear relationship respectively. A correlation coefficient of 0 indicates that there is no linear relationship between the variables (Saunders, Lewis, Thornhill, & Pearson Education, 2016).

A significance level of 0.05 was considered the standard in this study since this is the acceptable level in social sciences (Saunders *et al.*, 2012). Pearson correlation coefficient is a most commonly used statistical measure of degree of relationship (Cooper & Schindler 2003). To clearly show the correlation analysis results, this study used a correlation matrix. In this case as the data to be tested includes ordinal or dichotomous nominal data, the non-parametric Spearman's correlation coefficient was calculated.

### **3.6.3 Regression Analysis**

Multiple regression analysis was run to determine the statistical significance relationship between the independent variables on the dependent variable. According to Zikmund *et al.*, (2013), regression analysis is a statistical process of estimating the relationship between the variables. Regression analysis also helps in generating equation that describes the statistical relationship between one or more predictor variables and the predicted variable. An overall regression analysis was applied to test the simultaneous effect of the five predictor variables together (Management support, work discretion, time availability, rewarding intrapreneurial efforts and organizational boundaries).

Regression analysis was used to explain the proportion of variability in DV (Y) that was accounted for by the IVs (Xs) in the equation together. The five study objectives were addressed after subjecting the collected data to correlation and multiple regression analysis. The following empirical regression model was estimated to determine the determinants influencing intrapreneurial activities. Equation 3.1 shows

the econometric model that guided the analysis, while Table 3.2 shows the summary of how data was analysed.

**Equation 3.1**

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \mu_1$ , where  $Y$  = intrapreneurial orientation,  $\beta_0$  = intercept,  $\beta_1$ - $\beta_5$  = regression coefficients,  $X_1$  = management support,  $X_2$  = work discretion,  $X_3$  = rewards,  $X_4$  = time availability,  $X_5$  = organizational boundaries,  $\mu_1$  = error term.



**Table 3.2: Statistical Analysis**

<b>Objectives</b>	<b>Independent variables</b>	<b>Dependent variables</b>	<b>Statistical tools</b>	<b>Means of data collection</b>
To determine the extent to which the top management influences intrapreneurial orientation	Management support	Intrapreneurial Orientation	Linear Regression Analysis $Y = \beta_0 + \beta x + \mu_1$	Questionnaire, Likert type scale
To assess the level to which work discretion influences intrapreneurial orientation	Work discretion	Intrapreneurial Orientation	Linear Regression Analysis $Y = \beta_0 + \beta x + \mu_1$	Questionnaire, Likert type scale
To examine the impact of rewarding intrapreneurial practices on intrapreneurial orientation	Rewarding intrapreneurial efforts	Intrapreneurial Orientation	Linear Regression Analysis $Y = \beta_0 + \beta x + \mu_1$	Questionnaire, Likert type scale
To assess the level to which adequate time availability influence intrapreneurial orientation	Time availability	Intrapreneurial Orientation	Linear Regression Analysis $Y = \beta_0 + \beta x + \mu_1$	Questionnaire, Likert type scale
To determine the extent to which organizational boundaries influence intrapreneurial orientation	Organizational boundaries	Intrapreneurial Orientation	Linear Regression Analysis $Y = \beta_0 + \beta x + \mu_1$	Questionnaire, Likert type scale
To determine the joint effect of predictor variables on intrapreneurial Orientation	Management support, work discretion, rewarding intrapreneurial efforts, time availability and organizational boundaries	Intrapreneurial Orientation	Multiple regression analysis $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \mu_1$	

#### **3.6.4 Factor Analysis**

Factor analysis is a technique of statistically identifying a reduced number of factors from a large number of measured variables with the help of SPSS. According to Babbie (2013), factor analysis is an efficient method of discovering predominant patterns among a large number of variables. It is important in the sense that the researcher can easily discover the variable loadings in a given factor. This study adopted factor analysis in order to reduce the number of indicators or factors under each research variable and retain the indicators capable of explaining the strategic determinants of intrapreneurial orientation at KIM. Factors with factor loading values less than 0.4 were dropped, while those with values of 0.4 and above were retained. This was in line with recommendations made by Tak (2016).

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

The chapter is on analysis of data collected and its interpretation. Discussion of findings of the study is also included. The chapter provides answers to the research questions and provides a basis for confirmation of relationships and conclusions. Information in the chapter was generated by use of descriptive statistics, and inferential statistics by employing the use of ANOVA, Pearson's correlation coefficients, and multiple linear regression analysis.

#### 4.2 Response Rate

The study targeted 108 respondents from all the 22 divisions and branches of the Kenya institute of management, spread across Kenya. 81 questionnaires were returned making a 75% response rate. Frankfort *et al.*, propose that a response rate which is over 50% is sufficient and form a good representative for data analysis.

#### 4.3 Demographic Information

The study sought to establish the gender of the respondents. The results are presented on table 4.1.

**Table 4.1: Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	46	56.8	56.8	56.8
Female	35	43.2	43.2	100.0
Total	81	100.0	100.0	

The data on table 4.1 indicates that the majority of respondents, 57% were male while 43% were female. There was no specific procedure that was followed in the collection of data in regards to gender, hence the proportions are a true picture of gender composition at the Kenya Institute of Management.

### 4.3.1 Level of Formal Education

The study sought to establish the level of formal education of the respondents. Table 4.2 summarizes the findings on the level of formal education.

**Table 4.2: Level of formal education**

	Frequency	Percent	Valid Percent	Cumulative Percent
Tertiary	15	18.5	18.5	18.5
Degree	31	38.3	38.3	56.8
Post graduate	35	43.2	43.2	100.0
Total	81	100.0	100.0	

From table 4.2 above a majority of respondents have had post graduate studies, 43.2%, 38.3% had their first degree while only 18.5 had tertiary education. The distribution can be explained by the fact that all the respondents held strategic positions at KIM.

### 4.3.2 Age of Respondents

Respondents were also required to indicate their current age. Table 4.3 provides a summary on the age of respondents.

**Table 4.3: Age**

	Frequency	Percent	Valid Percent	Cumulative Percent
Under 20Yrs	1	1.2	1.2	1.2
20 – 29Yrs	27	33.3	33.3	34.6
30 – 39Yrs	45	55.6	55.6	90.1
40 – 49Yrs	8	9.9	9.9	100.0
Total	81	100.0	100.0	

Approximately 56% the respondents are in the age band of between 30-39 years while only 1% is below the age of 20 years. 27% are in the age of between 20 to 29 years and 10% between ages 40-49 years. There was no respondent above the age of 50 years.

### 4.3.3 Job Experience

Lastly, respondents were required to answer an open question on their job experience in their current position. For ease of analysis, a frequency table of intervals of under 1 year, and over 3 years was formulated. Table 4.4 provides a summary of data obtained.

**Table 4.4: Job Experience**

	Frequency	Percent	Valid Percent	Cumulative Percent
Under 1 Year	7	8.6	8.6	8.6
1-3Years	39	48.1	48.1	56.8
Above 3 Years	35	43.2	43.2	100.0
Total	81	100.0	100.0	

From the table above, a majority, 48% have an experience of between 1-3 years, 43% over 3 years and only 9% below 1 year.

## 4.4 Descriptive Statistics

Descriptive statistics were extracted through, SPSS version 23, for purposes of describing and comparing the variables under study.

### 4.4.1 Reliability and Validity of data

Data was examined prior to analysis to ensure that that multivariate normality, as well as homoscedasticity and linearity existed. T tests calculated on the basis of the Cronbach's alpha were employed to determine the reliability of the tools used to collect data. Cronbach's alpha measures reliability by calculating the variance within an item and the covariance of items within the same scale.

The alpha measure is between 0 and 1 where 0 shows there is no reliability no internal consistency and 1 indicates maximum possible consistency. The rule of the thumb, as advised by Nunnally (1978) is that 0.5 is an acceptable level of consistency. The five independent variables were tested for reliability by computing the Cronbach's alpha of each. Table 4.5 shows the results obtained.

**Table 4.5: Cronbach's alpha coefficients**

Variable	Cronbach Alpha value
Management Support	0.867
Work Discretion	0.761
Rewarding Intrapreneurial effort	0.672
Time availability	0.702
Organizational Boundaries	0.612
Intrapreneurial Orientation	0.651

Table 4.5 shows that all the variables had Cronbach Alpha coefficients values well over 0.5 , proving that the research instrument used to collect data from the respondents was considered appropriate and could yield similar results at all time (Muthami,2014). All the items included in the scale had been analysed in the literature review on intrapreneurial orientation and strategic determinants of IO and hence the content validity was guaranteed.

#### 4.4.2 Intrapreneurial Orientation

Factor loading was done for the six items on proactiveness, six items on innovation and six items on risk taking propensity. Table 4.6 gives the summary of the extractions.

**Table 4.6: IO Factor Analysis**

Factor	Initial Eigenvalues			Rotation Sums of Squared Loadings <sup>a</sup>			
				Extraction Sums of Squared Loadings		Sums of Squared Loadings <sup>a</sup>	
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	7.609	42.271	42.271	7.186	39.921	39.921	6.043
2	1.588	8.822	51.093	1.228	6.825	46.745	4.817
3	1.498	8.323	59.416	1.060	5.890	52.635	3.437
4	1.345	7.471	66.887				
5	1.101	6.119	73.006				
6	.994	5.523	78.529				
7	.686	3.811	82.340				
8	.608	3.380	85.720				
9	.481	2.674	88.394				
10	.404	2.246	90.639				
11	.334	1.858	92.497				
12	.314	1.743	94.240				
13	.259	1.440	95.680				
14	.232	1.289	96.969				
15	.197	1.096	98.065				
16	.138	.768	98.833				
17	.114	.633	99.465				
18	.096	.535	100.000				

Extraction Method: Principal Axis Factoring.

a. When factors are correlated, sums of squared loadings cannot be added to obtain a total variance.

From table 4.6, only three items were found to be significant measures of intrapreneurial performance. The remaining Items which had factor loadings of below 0.5 were considered to be insignificant and were dropped. Table 4.7 displays the pattern matrix as obtained from factor analysis for the three indicators of IO.

**Table 4.7: IO Factor Analysis Pattern Matrix**

	Factor		
	Innovativeness	Proactiveness	Risk Taking
Are you able to develop strategies and plans to implement your new ideas?	.966		
Are you able to search for new technologies and approaches that can help you at your work?	.824		
Are you good at generating new ideas?	.746		
Do you have the capability of championing new ideas to others?	.584		
Are you able to secure resources to implement your innovative ideas?	.541		
Are you able to develop strategies and plans to implement your new ideas?	.517		
Do you usually search for adventure at work?	.482		
Are you able to identify excellent business opportunities before others at work?		.858	
Do you feel safe when making job related decisions?		.746	
Are you able to identify excellent business opportunities before others at work?		.687	
Are you good at identifying better ways of delivering your job objectives?		.584	
Do you push for the adoption of your ideas at work?			.728
Are you able to make your initiatives work?			.545
Do you accept jobs that are highly insecure?			.491
Do you often take risk when deciding what job to take?			.487
Are you comfortable doing work with challenges unfamiliar to you?			
Eigen value	7.6	1.6	1.5
Variance %	39.9	6.8	5.8
Cumulative Var %	39.9	46.7	52.5
Extraction Method: Principal Axis Factoring.			
Rotation Method: Oblimin with Kaiser Normalization.			
a. Rotation converged in 14 iterations.			

The results on table 4.7 shows that Intrapreneurial orientation is largely composed of component 1 (42.2 %) presented as innovativeness as the most important followed by component 2 (8.8%) presented as proactiveness and component 3 (8.2%) presented as risk taking.



## 4.5 Strategic Determinants of Intrapreneurial Orientation

Objective two of the study sought to determine the strategic determinants of intrapreneurial orientation at KIM. These determinants were grouped into five categories namely: management support, work discretion, rewards, time availability and organizational boundaries in line with the conceptual framework. The results are presented and discussed in the following sections.

### 4.5.1 Management Support

Management support refers to the extent to which an organisation's management is willing to facilitate, encourage and promote intrapreneurial efforts through members of staff in an existing organization. Without such support, any intrapreneurial efforts would be stifled. The study sought to establish the extent to which the KIM management teams supported intrapreneurial activities in the institute. A set of six items were used. The findings based on a 1 to 5 Likert scale rating, where 1 was Not at all and 5 was very high extent were summarized on table 4.8

**Table 4.8: Management Support**

	Range	Minimum	Maximum	Mean	Std. Deviation
The development of new and innovative ideas is encouraged by management.	2.00	3.00	5.00	3.7778	.61237
The management encourage employees to bend rules and rigid procedures in order to keep promising ideas on track.	3.00	2.00	5.00	3.6790	.72158
Developing one's own ideas is encouraged for the improvement of the institute business.	3.00	2.00	5.00	3.3457	.77718
The Management offers financial support to help in incubating new ideas.	4.00	1.00	5.00	3.0000	.92195
The management mentor innovators by giving direction and advice.	3.00	2.00	5.00	3.2840	.88367
The management is receptive of new ideas and suggestions	4.00	1.00	5.00	3.1975	.85761

From table 4.8, the highest scoring item had a mean score of 3.7 while the lowest mean score was 3.0. The distribution of the means are normally distributed. Overall, the average score for management support appears to be average and hence there is a huge room for the management to improve.

#### 4.5.2 Work Discretion

The purpose of this section was to establish the amount of autonomy that the respondents had in their work place. The findings were helpful in determining whether the amount of freedom the respondents enjoyed had influenced their intrapreneurial orientation in their work. To measure the level of discretion/ autonomy the study used a set of five items. Table 4.9 gives a summary of the findings based on a five point Likert scale.

**Table 4.9: Work Discretion**

	Range	Minimum	Maximum	Mean	Std. Deviation
I have the freedom to use different work approaches to execute major and routine duties	4.00	1.00	5.00	3.1111	.85147
I am at liberty to decide how I will achieve my job objectives.	4.00	1.00	5.00	3.0741	1.00968
The management allows application of own judgement at work.	3.00	2.00	5.00	3.2593	.78705
I have the autonomy to choose how to organize my work?	3.00	2.00	5.00	3.5309	.85274
I do not have to follow specific work procedures when performing tasks.	4.00	1.00	5.00	2.4815	1.01379

The mean scores of the items showed no significant differences as can be observed; only two items seems to differ greatly. The highest average score is 3.5 while the lowest is 2.4. The implications of the results is that employees of the institute have average autonomy while performing their duties.

### 4.5.3 Time Availability

Incubating and implementing innovative ideas is time consuming. The section on time availability sought to find out whether employees of KIM have adequate time to get involved in intrapreneurial interventions. Five items were therefore included in the section using a five point Likert scale. Table 4.10 presents the analysis of responds given.

**Table 4.10: Time Availability**

	Range	Minimum	Maximum	Mean	Std. Deviation
I have enough time to meet my job objectives.	4.00	1.00	5.00	3.3333	.89443
I am able to spare time to generate and develop new ideas.	4.00	1.00	5.00	3.1481	.77639
My work load doesn't hinder me from incubating innovative ideas.	4.00	1.00	5.00	3.1481	.93690
I am allowed to reschedule routine tasks to work on innovative ideas.	3.00	2.00	5.00	3.2593	1.05804
There is time set aside for innovative activities.	4.00	1.00	5.00	3.5556	1.21450

Table 4.10 indicates that the scores were normally distributed with the highest mean score being 3.6 and the lowest 3.1. The results implies that employees at KIM have average time available to them to get involved in intrapreneurial activities.

#### 4.5.4 Rewarding Intrapreneurial Effort

Rewarding Intrapreneuring employees, helps to boost employees' commitment to intrapreneurial activities. The results are presented in Table 4.11.

**Table 4.11: Rewarding Intrapreneurial Effort**

	Range	Minimum	Maximum	Mean	Std. Deviation
The management reward employees when they perform well at their work.	4.00 1.00	5.00	3.00	0.20416	
The management appreciates my innovative capabilities.	4.00 1.00	5.00	3.3333	1.06066	
Employees who do well are rewarded when they generate or develop innovative ideas.	4.00 1.00	5.00	3.7531	1.24027	
Innovative employees get job expansions or promotions.	4.00 1.00	5.00	3.1790	1.12724	
The management highly regards innovative ideas.	4.00 1.00	5.00	3.4198	1.29291	

Table 4.11 indicates that the highest score for rewarding intrapreneurial efforts is 3.8 while the lowest score is 3.0. The scores however highly deviates from the mean as can be observed.

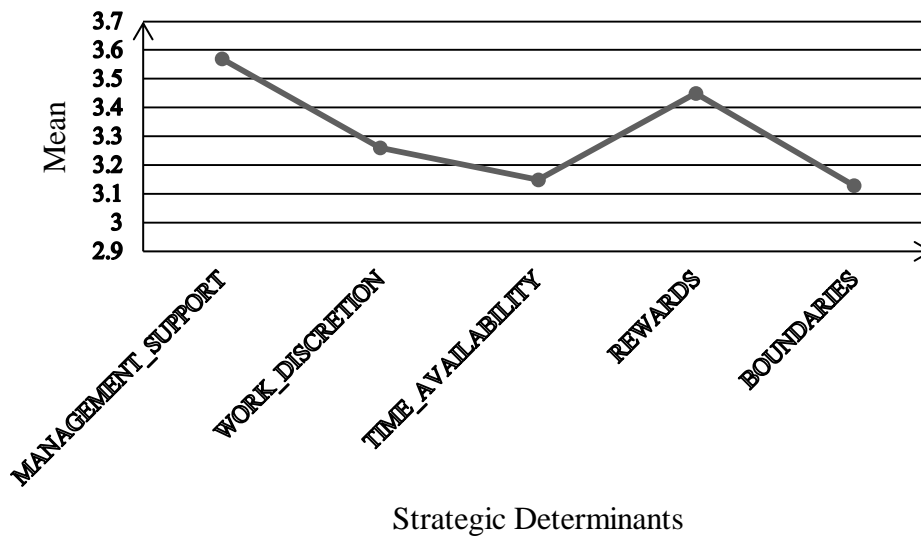
### 4.5.5 Organizational Boundaries

A five point Likert scale was used and six questions were used to gather information from the respondents. Table 4.12 presents the results of the analysis.

**Table 4.12: Organizational Boundaries**

	Range	Min	Max	Mean	Std. Deviation
Does your job position prevent you from being innovative?	4.00	1.00	5.00	3.6667	1.06066
Do those above you in rank inhibit your creativity at work?	4.00	1.00	5.00	3.4198	.97294
Does your job ranking prevent you from being innovative and implement new work methods?	4.00	1.00	5.00	2.9383	1.16561
Do communication channels in the institute hinder your innovative capability?	4.00	1.00	5.00	2.3580	1.01623
Does the institute's organizational structure hinder innovation outside of your job description?	4.00	1.00	5.00	3.4938	1.18452

Table 4.12 above presents a generally low score for organizational boundaries, compared to the other strategic determinants of IO. However, the items maintained an above average mean score, overall. Figure 4.1 presents the mean scores of the five strategic determinants of IO.



**Figure 4.1: Strategic Determinants Mean Scores**

Based on the highest scale value of 5.0, the means were management support 3.57, work discretion 3.26, rewards 3.45, time availability 3.15 and organizational boundaries 3.13. Table 4.13 presents the distribution of the means of the five strategic determinants of IO.

**Table 4.13: Strategic Determinants of IO Mean Scores**

Determinants	Mean	Std. Deviation
Management support	3.57	.627
Work discretion	3.26	.891
Time availability	3.15	.691
Rewards	3.45	.922
Boundaries	3.13	.757

The data on table 4.13 indicates that organizational boundaries has the least influence on intrapreneurial orientation with a mean score of 3.13. However, the factor remains significant. Management support has the highest score among the five strategic determinants. This indicates that for intrapreneurial orientation to thrive in an organization, the management should provide the necessary support. Rewarding of intrapreneuring employees comes second with a score of 3.45. Work discretion, which means ability of employees to work with autonomy, also plays a big role in nurturing the culture of intrapreneurship; the determinant has a mean score of 3.26. Time availability, with a mean score of 3.15 came in as the third most important factor. Time availability refers to spare time available to employees to engage in intrapreneurial activities.

### 4.5.6 Exploratory Factor Analysis of Strategic Determinants of Intrapreneurial Orientation

Table 4.14 presents the results derived from factor analysis of the five strategic determinants of IO.

**Table 4.14: Factor Analysis of Strategic Determinants of IO**

	Component				
	Management Support	Rewards	Work Discretion	Time Availability	Organizational Bound.
The development of new and innovative ideas is encouraged by management.	.803				
The management encourage employees to bend rules and rigid procedures in order to keep promising ideas on track.	.789				
Developing one's own ideas is encouraged for the improvement of the institute business.	.693				
The management mentor innovators by giving direction and advice.	.616				
The management appreciates my innovative capabilities.		.725			
Employees who do well are rewarded when they generate or develop		.647			
The management highly regards innovative ideas.		.637			
I have the freedom to use different work approaches to execute major and routine duties			.714		
The management allows application of own judgement at work.			.541		
I have the autonomy to choose how to organize my work?			.482		
I have enough time to meet my job objectives.				.584	
There is time set aside for innovative activities.				.514	
Does your job position prevent you from being innovative?					.664
Does the institute's organizational structure hinder innovation outside of your job description?					.553
Does your job position prevent you from being innovative?					
Eigen Value	5.1	2.7	2.0	1.8	1.6
Variance %	19.7	10.4	7.5	7.0	6.0
Cumulitive Variance %	19.7	30.1	37.6	44.6	50.6
Extraction Method: Principal Component Analysis.					
Rotation Method: Oblimin with Kaiser Normalization.					

Table 4.14 indicates that out of the 26 items tested, 14 of them are the most important, explaining 50.2% of all the indicators of strategic determinants of IO. Further, the factor loadings indicates that management support has more factors influencing IO while organizational boundaries has the least.

## 4.6 Inferential Analysis

Karl Pearson's correlation analysis and multiple regression analysis was conducted for inferential analysis.

### 4.6.1 Karl Pearson's Correlation Analysis

The study conducted a multiple regression analysis to determine the extent to which each of the external environmental conditions explained the variance in the intrapreneurial activities. The results are presented on table 4.15.

**Table 4.15: Correlation Coefficient of strategic determinants**

Construct		Intrapreneurial orientation
Management Support	Pearson Correlation	.740**
	Sig. (2-tailed)	.000
	N	81
Work Discretion	Pearson Correlation	.607**
	Sig. (2-tailed)	.000
	N	81
Time Availability	Pearson Correlation	.598**
	Sig. (2-tailed)	.000
	N	81
Rewarding Intrapreneurial Efforts	Pearson Correlation	.626**
	Sig. (2-tailed)	.000
	N	81
Organizational Boundaries	Pearson Correlation	.527**
	Sig. (2-tailed)	.000
	N	81
Intrapreneurial Orientation	Pearson Correlation	1
	Sig. (2-tailed)	
	N	81

\*\* Correlation is significant at 0.01 level (2-tailed)



Table 4.15 shows that there is positive significant relationships found between each one of the five strategic determinants and intrapreneurial orientation at the Kenya Institute of Management. The P-values were less than the significance level of 0.05. Therefore, management support, work discretion, rewards, time availability and organizational boundaries are effective strategic determinants of intrapreneurial orientation at the KIM.

#### 4.6.2 Multiple Regression Analysis

In order to ascertain that the five strategic determinants are the key influencers of IO at KIM, multiple regression analysis was carried out. Intrapreneurial Orientation was taken as the dependent variable while the five strategic determinants of intrapreneurship (management support, work discretion, rewarding intrapreneurial effort, time availability and organizational boundaries) were used as the predicting variables. Table 4.16 displays the results of the multiple regression analysis.

**Table 4.16: Model Summary**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.795(a)	.632	.613	.296

Predictors: (constant) Organizational Boundaries, Rewards, Work Discretion, Management Support, Time Availability

R indicates the level of correlation between the dependent variable and the independent variables which is 0.795. It can therefore be concluded that there is high positive correlation between IO and the five strategic determinants. R squared measures the level of variation of the dependent variable that is explained by the independent variables, in this case 0.632. This means that 63.2% of variation observed in IO is explained by the five strategic determinants.

From table 4.16, it can be observed that the adjusted R Square was 0.613, which implies that the five determinants, that is, management support, work discretion, rewards, time availability and organizational boundaries explained 61.3% of the variation in intrapreneurial orientation at the Kenya Institute of Management. The

adjusted R squared is a modification of the R square, and is used to prevent artificial inflation of the results owing to the multiple independent variables (Nothnagel, 2008). The results imply that the five determinants under study have the weight to determine the intrapreneurial orientation of employees in the organization. However, there are other strategic determinants not studied in this research which contribute 38.7% of intrapreneurial orientation at KIM.

Table 4.17 displays results obtained after conducting ANOVA to determine the significance of using the five strategic determinants in predicting IO at KIM.

**Table 4.17: ANOVA**

	Sum of Squares	df	Mean Square	F	P-Value
Regression	14.736	5	2.947	33.613	.000(a)
Residual	8.593	98	.088		
Total	23.328	103			

Predictors: (constant) Organizational Boundaries, Rewards, Work Discretion, Management Support, Time Availability

Dependent Variable: Intrapreneurship

Table 4.17 indicates that the overall model (the model involving constant, organizational boundaries, rewards, work discretion, management support and time availability) is significant enough in predicting how management support, work discretion, rewards, time availability and organizational boundaries determine intrapreneurship since the P-Value is 0.001 which is less than alpha, in this case assumed to be 0.05.

Table 4.18 presents the regression coefficients of Management support, Work discretion, Rewarding intrapreneurial efforts, Time availability and organizational boundaries in association with Intrapreneurial orientation at KIM.

**Table 4.18: Regression Coefficients**

	Unstandardized		Standardized	t	P-
	Coefficients		Coefficients		Value
	B	Std. Error	Beta		
(Constant)	.145	.288		2.484	.029
Management Support	.454	.105	.423	4.131	.000
Work Discretion	.170	.091	.184	1.965	.032
Rewards	.205	.089	.187	2.239	.027
Time Availability	.079	.087	.175	1.794	.039
Organizational Boundaries	.221	.111	.058	1.958	.043

Dependent Variable: Intrapreneurial Orientation

The p and t values indicates that the five strategic determinants are significant in explaining the variation of IO at 0.05 level of confidence. The results from table 4.18 were used to formulate the econometric model of the study as discussed in chapter three. The study was guided by the following model:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \mu_1$ , where Y = intrapreneurship,  $\beta_0$  = intercept,  $\beta_1$ - $\beta_5$ = regression coefficients,  $X_1$  = management support,  $X_2$  = work discretion,  $X_3$  = rewards,  $X_4$  = time availability,  $X_5$  = organizational boundaries,  $\mu$  = error term. From the above model equation, the study results were summarized as follows  $Y = 0.145 + 0.454X_1 + 0.170X_2 + 0.205X_3 + 0.079X_4 + 0.221X_5 + \mu$

The regression equation above establishes that considering all factors, (management support, work discretion, rewards, time availability and organizational boundaries) constant at zero, intrapreneurial orientation at KIM will be 0.145. The result in Table 4.18 can further be interpreted to mean that; putting all other independent variables at zero, a unit increase in management support will lead to 0.454 increase in intrapreneurial orientation; a unit increase in work discretion will lead to 0.170 increase in intrapreneurial orientation; a unit increase in rewards will lead to 0.205 increase in intrapreneurial orientation; a unit increase in time availability will lead to 0.079 increase in intrapreneurial orientation; a unit increase in organizational boundaries will lead to 0.221 increase in intrapreneurial orientation.

The standardized coefficients are used to examine what the contribution every independent variable is towards the prediction of the dependent variable. All the five independent variables have been converted to the same scale to generate the comparison. The results shows that management support has the highest beta of 0.423 which means that management support plays the most important role in driving intrapreneurial orientation in organizations. Management supports includes provision of necessary resources to support intrapreneurship, guiding intrapreneurs by the management and appreciating intrapreneurial activities within the organization.

Rewarding intrapreneurial efforts comes in second in the determination of IO in organizations with a beta of 0.187. Rewards could be monetary, promotions or other positive gestures from the management of the organization. At the third place is work discretion with a beta score of 0.184. Work discretion refers to the autonomy that employees enjoy while performing their duties. The fourth, most important strategic determinant of intrapreneurship is time availability with a beta score of 0.175. Time availability in this context is the time that employs can set aside to engage in Intrapreneuring activities. The least important of the five determinants of IO is organizational boundaries with a beta of 0.058. In the study, organizational boundaries referred to the organizational structure in terms of departments, job lines and communication channels. The t-test statistic confirms that all the five strategic determinants of IO are significant since they all have P-Values which were less than 0.05.

#### **4.7 Discussions of the Findings**

The study sought to investigate the strategic determinants of intrapreneurial orientation at the Kenya institute of management. The research findings adequately answered the research questions which guided the study. The results are consistent with the work of Hornsby *et al.*, (2002) and Kuratko *et al.*, (2011) who found that management support, work discretion, rewarding intrapreneurial efforts, time availability and organizational boundaries are the main strategic determinants of intrapreneurial orientation. The findings are also, partly consistent with Pinchot (1985) whose study indicated that Resource availability, work discretion risk taking, knowledge acquisition and rewards as the key determinants of intrapreneurial orientation in an organization. Pinchot had

classified the determinants of intrapreneurial orientation into two, internal factors, which were the focus of the current study, and external factors, which Pinchot described as those which the organization is unable to influence.

The study findings indicate that management support is the most important determinant of intrapreneurial orientation. The observation agrees with Rutherford and Holt (2007); Rutherford and Cohessy (2007); Morris *et al.*, (2008). All these studies found that the support of the top management significantly influences the IO of employees in an organization. Naliaka & Wamalwa (2010), also supports these findings; their study found that employees only make use of their entrepreneurial capabilities in an organization only when they are supported by the management to do so.

According to the results, rewarding of intrapreneurial efforts is the second most important determinant of IO. Employees who highly scored this item also had a high average score for intrapreneurial orientation. These findings agrees with those of Muthami (2014) from the study on strategic determinants of intrapreneurship in education institutions in Kenya. According to Muthami, rewarding intrapreneurial staff in an organization motivates them to indulge more in intrapreneurial activities. However, the findings are inconsistent with those of Naliaka and Wamalwa (2010) who only found management support as the only core determinant of IO.

Work discretion comes in as the third most significant strategic determinant of IO in organizations. The findings agrees with those of Kuratko *et al.*, (2010); Rutherford and Cohessy (2007) and Muthami (2014). According to these previous studies, work discretion is a major catalyst to an employee's intrapreneurial orientation. From the findings, time availability and organizational boundaries are the least important strategic determinants of IO. The results, however shows that these two factors also have the weight to influence the intrapreneurial orientation in a firm. The findings agrees with Muthami (2014) and Hornsby *et al.*, (2002). However, the findings disagrees with those of Altinay and Altinay (2004), who found that organizational structure is the key determinant of IO in organizations.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

Increasing intrapreneurial orientation and coming up with ways of growing intrapreneurship in organizations has been a common discussion by several researchers in the area of strategy. To realize increased Intrapreneurial orientation in companies, it is important to consistently and thoroughly investigate the strategic determinants of intrapreneurial activities in different organizations. The study was, therefore, motivated by these facts. Focus was on staff with strategic roles at the Kenya Institute of Management with the aim of examining the strategic determinants of intrapreneurial orientation at the institute. Chapter five thus, presents the conclusions and recommendations that were drawn from the research findings.

#### **5.2 Summary of Findings**

Results deduced from the measurement of the dependent variable, i.e. Intrapreneurial Orientation, indicates that the KIM staff with strategic roles are averagely oriented to the construct of Intrapreneurship. The management of the institutes should, hence, take note of the findings from the section showing the results on the strategic determinants of IO for their action.

The study established that, intrapreneurial orientation is largely composed of three indicators. These are; proactiveness, innovation and risk taking, which are the most significant measures of intrapreneurial orientation. According to the factor analysis, 52.5% of the intrapreneurial capability is attributed to these components. The implication is that when individuals in organizations identify and pursue new opportunities, initiate new products, processes and services, operate in uncertain environments then such people have intrapreneurial capability. Employes with high intrapreneurial orientation are crucial in driving the competitiveness of organizations where they work through provision of a way of surviving in the ever changing business environment. Also, such organizations are more likely to persist through the challenges of business through self-renewal.

The study findings are rhyming with those of Dess and Lumpkin (2005) and Antoncic (2007) who indicated that Intrapreneurial orientation revolves around an acceptance and encouragement of individual characteristics, mainly innovativeness, risk-taking, and proactiveness. The findings are also in agreement with the early works by Pinchot (1985) as used by Dess and Lumpkin (2005) who assert that intrapreneurial orientation is manifested by level of proactiveness, innovativeness and risk taking propensity that an individual possesses. Therefore, intrapreneurial orientation would not exist without innovativeness, because customers are continuously demanding unique, individual based products, services and sales solutions. In fact, one of the most commonly shared characteristic among productive employees is the use of an innovative and creative job approach.

The study also established that the main strategic determinants of IO are; management support, rewarding intrapreneurial effort, work discretion, time availability and organizational boundaries. From the regression model, these five determinants contribute 61% of IO at KIM. The study established that there is no substantial difference among the different types of organizations. The results agrees with a majority of studies conducted in different contexts as has already been noted.

### **5.3 Conclusion**

The study examined the staff at the Kenya Institute of Management who have a strategic role to play at the institute. Intrapreneurial orientation was measured using the constructs developed by Hornsby, *et al.*, (2002). The employee's intrapreneurial orientation was measured using their proactiveness, risk taking and innovativeness. Through the use of a census survey of the managers and officers at KIM, the study findings were congruent with the emphasis in the literature. Innovativeness came out as the most influential measure of intrapreneurial orientation, followed by proactiveness and risk taking, respectively.

The findings of the study on the strategic determinants of intrapreneurial orientation were consistent with those of (Morris *et al.*, 2011; Hornsby *et al.*, 2002; Kuratko *et al.*, 1990). The results show that Management support, work discretion, rewarding intrapreneurial efforts and time availability are the key determinants of intrapreneurial

orientation in organizations. These previous studies defined these indicators as the Corporate Entrepreneurship Assessment Instrument (CEAI) factors. The results are, therefore, in line with the CEAI model.

#### **5.4 Recommendations of the Study**

The focus of the study was on the strategic determinants of Intrapreneurial orientation at the KIM. The findings shows that there is a strong positive relationship between the variables. For this reason, the management of KIM and other institutions under TVET should operationalize initiatives that are geared towards enhancing the score of strategic determinants of IO to guarantee their growth and sustainability. The study shows that management support is the most important of the five strategic determinants of IO and hence the organizations need to give adequate managerial support to intrapreneurs.

In addition, there should be enabling communication structures that allow autonomy and flexibility for employees to engage in intrapreneurial activities. Adoption of commensurate reward system is also recommended. Organizations, however should watch out for other factors that contribute about 39% of intrapreneurial orientation. IO in organizations, including KIM should be applied as a tool of self-renewal. It is a valuable concept that can help the firm to build its competitive advantage if applied at an optimal level.

#### **5.5 Suggested Areas for Further Research**

The research focused on strategic determinants of intrapreneurial orientation. These determinants are only based on internal organizational environment. As noted from the research findings, the determinants influences approximately 61% of IO; therefore, further research should be conducted to establish the other determinants of IO that influences the remaining 39%. The determinants may include individual employee characteristics (entrepreneurial background, risk taking propensity) and external factors (Government policies, economic environment).



Intrapreneurial Orientation remains a relatively new construct, mainly in the Kenyan context. The current study focused on a tertiary learning institution (KIM) whose institutional characteristics may be different from other organizations in other sectors and industries. For this reason, further studies on intrapreneurship need to be conducted in different sectors in the country. In addition, additional variables can be added in future studies so as to explain more of the variation in IO.

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## APPENDICES

### Target Population

<b>Branch</b>	<b>Employees</b>
Narok	3
Embu	3
Nakuru	3
Naivasha	3
Nanyuki	4
Nairobi	10
Kapsabet	2
Kabarnet	3
Kericho	2
Kakamega	3
Nyahururu	3
Thika	2
Meru	3
Machakos	3
Nyeri	3
Chuka	3
Kisii	3
Mombasa	3
Kisumu	3
Eldoret	3
Kitengela	3
Utawala	3
<b>Support Departments</b>	
Research& Development	5
Training& Consultancy	7
Human Resource	5
Finance	8
Membership	4
Branch Services	4
<b>Total</b>	<b>108</b>

## Questionnaire

### STRATEGIC DETERMINANTS OF INTRAPRENEURIAL ORIENTATION AT THE KENYA INSTITUTE OF MANAGEMENT, KENYA

#### PART A: GENERAL DATA

Kindly tick appropriately

1. Gender:        Male ( )        Female ( )
  
2. The highest level of formal education:  
                  'O' Level ( )    'A' level ( )    Tertiary ( )    Degree ( )    Post graduate  
( )
  
3. Age: Under 20Yrs ( )    20 – 29Yrs ( )    30 – 39Yrs ( )    40 – 49Yrs ( )    Over  
50 Yrs ( )
4. Branch/Department.....
5. Job Position.....
6. How long have you held this job position at KIM? .....

For part B and C, kindly indicate (by ticking one box for each statement) the extent to which you agree with the statement.



<b>PART B: INTRAPRENEURIAL ORIENTATION</b>		Not at all	Small extent	Moderate extent	Large extent	Very large extent
<b>PROACTIVENESS</b>						
1	Are you able to identify excellent business opportunities before others at work?					
2	Are you good at identifying better ways of delivering your job objectives?					
3	Do you push for the adoption of your ideas at work?					
4	Are you able to make your initiatives work?					
5	Do you usually amend errors early enough?					
6	Are you always in support of constructive change?					
<b>RISK TAKING</b>						
1	Do you implement plans you are <b>Not</b> sure will work?					
2	Do you often take risk when deciding what job to take?					
3	Do you accept jobs that are highly insecure?					
4	Are you comfortable doing work with challenges unfamiliar to you?					
5	Are you able to handle unforeseen risks when working?					
6	Do you feel safe when making job related decisions?					
<b>INNOVATIVENESS</b>						
1	Are you able to search for new technologies and approaches that can help you at your work?					
2	Are you good at generating new ideas?					
3	Do you have the capability of championing new ideas to others?					
4	Are you able to secure resources to implement your innovative ideas?					
5	Are you able to develop strategies and plans to implement your new ideas?					
6	Do you usually search for adventure at work?					

<b>PART C: STRATEGIC DETERMINANTS OF INTRAPRENEURIAL ORIENTATION</b>						
		Not at all	Small extent	Moderate extent	Large extent	Very large extent
<b>MANAGEMENT SUPPORT</b>						
1	The development of new and innovative ideas is encouraged by management.					
2	The management encourage employees to bend rules and rigid procedures in order to keep promising ideas on track.					
3	Developing one's own ideas is encouraged for the improvement of the institute business.					
4	The Management offers financial support to help in incubating new ideas.					
5	The management mentor innovators by giving direction and advice.					
6	The management is receptive of new ideas and suggestions.					
<b>WORK DISCRETION</b>						
1	I have the freedom to use different work approaches to execute major and routine duties.					
2	I am at liberty to decide how I will achieve my job objectives.					
3	The management allows application of own judgement at work.					
4	I have the autonomy to choose how to organize my work?					
5	I do not have to follow specific work procedures when performing tasks.					
<b>TIME AVAILABILITY</b>						
1	I have enough time to meet my job objectives.					
2	I am able to spare time to generate and develop new ideas.					
3	My work load doesn't hinder me from incubating innovative ideas.					
4	I am allowed to reschedule routine tasks to work on innovative ideas.					
5	There is time set aside for innovative activities.					

<b>REWARDING INTRAPRENEURIAL EFFORT</b>		Not at all	Small extent	Moderate extent	Large extent	Very large extent
1	The management reward employees when they perform well at their work.					
2	The management appreciates my innovative capabilities.					
3	Employees who do well are rewarded when they generate or develop innovative ideas.					
4	Innovative employees get job expansions or promotions.					
5	The management highly regards innovative ideas.					
<b>ORGANIZATIONAL BOUNDARIES</b>						
1	Does your job position prevent you from being innovative?					
2	Do those above you in rank inhibit your creativity at work?					
3	Does your job ranking prevent you from being innovative and implement new work methods?					
4	Do communication channels in the institute hinder your innovative capability?					
5	Does the institute's organizational structure hinder innovation outside of your job description?					

Thank you for your time!