EFFECT OF CORPORATE ENTREPRENEURSHIP ON ORGANIZATIONAL PERFORMANCE AT KENYA POWER AND LIGHTING COMPANY

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EGERTON UNIVERSITY

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DECLARATION AND RECOMMENDATIONS

DECLARATION

This is my original work and has not been submitted for the award of any degree in this or any other University

Signed: .... Date:...... 5|11|2012

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CM11/0373/08

RECOMMENDATIONS

This work has been submitted with our recommendations as University Supervisors.

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DEDICATION

This work is dedicated to my wife Christine and our precious children Moses and Joy.

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ABSTRACT

This study focused on the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company, Kenya. Specifically the study analyzed the effect of risk taking and tolerance to failure on performance, the relationship between organization structure and performance, resource availability and performance as well as management support and performance. A sample size of 200 respondents selected through convenient and stratified sampling. Data was collected by use of questionnaires. Once collected, the data was coded and analyzed using descriptive (mean, frequency percentages) and inferential statistics (Correlation and regression analysis). Study findings showed that all factors of corporate entrepreneurship were achieved to high extent. Overall organizational performance in terms of job satisfaction, perceived organizational contribution, commitment and memory orientation was generally moderate; corporate entrepreneurship positively influenced the organizational performance at KPLC. This study recommended the need to strengthen these particular aspects as well as other elements of corporate entrepreneurship at KPLC; effective application of corporate entrepreneurship in order to achieve measurable improvement in the organizational performance and managers promotion and support of these factors of an entrepreneurial climate identified in this study may realize increased levels of positive outcomes that maximize organization performance. Future research should consider alternative entrepreneurial factors and outcomes in KPLC. In addition, the study sample could be improved by identifying and enlisting the participation of a greater number and include all regions of KPLC.

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LIST OF ABBREVIATIONS AND ACRONYMS

EAPL: East African Power and Lighting Company

KPLC: Kenya Power and Lighting Company

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

This study focused on the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company, Kenya. Zahra, Kuratko, and Jennings (1999) argue that corporate entrepreneurship can be used to improve competitive positioning and transform corporations, their markets, and industries when opportunities for value-creating innovations are developed and exploited. The significance of corporate entrepreneurship has also been documented by Miller (1983), Khandwalla (1987) and, Naman and Slevin (1993) in their assertion that corporate entrepreneurship pushes companies to employ a range of strategies, often in unique combinations. And by doing so, companies build layers of advantage by combining distinctive bases for competitive superiority. Empirically, studies by scholars such as Zahra and Covin (1995) have reported a positive correlation between corporate entrepreneurship and performance.

Corporate Entrepreneurship has been defined as the process by which organizational members pursue opportunities without regard to the resources they currently control (Stevenson, Roberts, and Grousbeck, 1989). This definition of corporate entrepreneurship suggests that members of organization are required to provide solutions to customer problems and identify business opportunities through appropriate linking of new ideas and organizational resources. The reason as to why corporate entrepreneurship is a major concern of business organizations has been highlighted by scholars such as Zahra, Kuratko and Jennings (1999).

Although corporate entrepreneurship is essential in aiding organizational performance, some scholars believe that sustained organizational performance can only be realized when corporate entrepreneurship is entrenched and institutionalized in the organization. An entrepreneurial organization should institutionalize practices that establish an organizational environment in which innovation is considered an accepted and appropriate response to organizational problems (Russell, 1999). He adds that these practices build commitment and enthusiasm by creating a shared sense of purpose and meaning in the organization. Contributing on how organizations could achieve sustained growth, Roberts (1984) observes that corporate entrepreneurship ensures that all the firm's technical and business skills are

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brought to bear to achieve organizations strategy. Taking a similar observation, Anderson (1992) asserts that an organization that espouses a culture that encourages creativity and creates a passion for innovation may have a competitive edge over other firms.

From the foregoing, it is clear that corporate entrepreneurship is an important managerial undertaking. This suggests that there is need for understanding organizations' internal environment that promotes corporate entrepreneurship in organizations. According to Kemelgor (2002) management support for new ideas and projects, participative management, tolerance of risk-taking, work autonomy and resource allocations are some of the organizational attributes that awakens and nurture entrepreneurial potential of the employees. While looking at strategy development and execution in the context of contemporary business climate, Morris, Kuratko and Covin (2008) concludes that strategy is not what it used to be given rapid and continuous changes in the competitive environment that has rendered traditional management approaches inadequate. Consequently, contemporary organizations need strategic leadership that promotes employee's flexibility, innovativeness and creativity.

While top management team represents the entrepreneurial spirit in small organizations, the same is not with large and highly differentiated organizations like Kenya Power and Lighting Company. Large organizations must assume an entrepreneurial climate that fosters corporate entrepreneurship. This is achieved through deliberate decisions in the form of management support systems, supportive organizational structure, tolerance to risks and availing essential resources. This study was done at Kenya Power and Lighting Company. Like other large and diffuse organizations, Kenya Power and Lighting Company must have organization wide mechanisms to promote corporate entrepreneurship.

Since its incorporation in the 1920s as the East African Power & Lighting Company (EAP&L) and later in the 1980s as the Kenya Power and Lighting Company Ltd., KPLC has continued to grow. The increased demand for electric energy and the entry of other players in the energy sector has prompted the company in recent years to undertake a number of reforms aimed at achieving a strategic outfit that can efficiently and effectively address the corporate institutional and organizational challenges facing the organization in its efforts to transmit and distribute power in the country. The company has its Head Quarter in Nairobi and it is administered through four regions namely Nairobi, west, coast and Mt Kenya. The company has about 7000 employees with about 6000 and 1.6 million corporate and domestic

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customers respectively. In the years to come, the company estimates to have about 14% annual rise in customers (KPLC, 2010-2014 Strategic Plan).

Currently, the company is undertaking transition from post-paid to pre-paid electricity billing system. The company is also automating its electricity lines as well as meter reading. In the past, the company relied on physical visits to places where new application for electricity are received. This will cease as the company is currently undertaking mapping of regions. As opposed to direct payment of electricity bills at the company's offices, customers today have several bill payment options including through commercial banks, mobile money transfers and retail outlets.

In anticipation for the challenges that these changes may bring, the company about three years ago undertook organizational restructuring with the establishment of sub-regional offices and branches to bring services closer to customers. No doubt like any other change, challenges and obstacles are likely to be experienced. But the study believed that these challenges could be smoothly overcome in an environment where employee innovation and creativity was encouraged. It is these strategic changes currently underway at the Kenya Power and Lighting Company that makes understanding the company in terms of corporate entrepreneurship crucial. Besides these strategic changes, there are emerging players in the energy sector, which may pose serious challenges to monopoly that the company has enjoyed over the years. At the heart of all these is the need for the company to have a work climate that encourages innovation, creativity and pro-action; thus making an investigation of corporate entrepreneurship issues in the company both relevant and timely.

1.2 Statement of the Problem

The competitive landscape in many industries, including energy today is marked by intense competition among existing players and the emergence of many focused competitors targeting specific segments of the market. In addition, the business environment is characterized by rapid technological progress in many fields rendering current solutions to customer problems inadequate. These changes call for the need for companies to become more entrepreneurial, with many companies indeed attempting to foster entrepreneurship so that business opportunities are perceived and exploited. While many scholars have ably documented the contributions of corporate entrepreneurship on organizational performance, the focus has been more on objective measures of organizational performance, with

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subjective measures largely unattended to. It is against this background that this study analyzed the effect of corporate entrepreneurship on organizational performance-subjective measures- at Kenya Power and Lighting Company, Kenya.

1.3 Research Objectives

Broadly this study aimed at establishing the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company, Kenya. Specifically, the study sought to achieve the following objectives:

(i) To establish the effect of risk taking and failure tolerance on organizational performance at Kenya Power and Lighting Company, Kenya.

(ii) To determine the effect of resource availability on organizational performance at Kenya Power and Lighting Company, Kenya.

(iii) To assess the effect of organizational structure on organizational performance at Kenya Power and Lighting Company, Kenya.

(iv) To determine the effect of management support on organizational performance at Kenya Power and Lighting Company, Kenya.

1.4 Research Hypotheses

The study sought to test the following research hypotheses:

H_{01}. Risk taking and failure tolerance does not significantly influence organizational performance at Kenya Power and Lighting Company, Kenya.

H_{02}. Resource availability does not significantly influence organizational performance at Kenya Power and Lighting Company, Kenya.

H_{03}. Organizational structure does not significantly influence organizational performance at Kenya Power and Lighting Company, Kenya.

H_{04}. Management support does not significantly influence organizational performance at Kenya Power and Lighting Company, Kenya.

1.5 Significance of the Study

This study aimed to contribute to knowledge in organizational development, as well as to the literature on organizational entrepreneurship. The study explored the relationship between corporate entrepreneurship and Organizational Performance. Findings could guide organizations in making decisions and developing behaviors that enhance strategic and improved performance. Modern organizations need to operate as entrepreneurial businesses

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that are stable across situation and time. This research produced very useful information for the management of Kenya Power and Lighting Company and in the field of corporate entrepreneurship in Kenya. Specifically, this study provided top management insight into the factors that influence innovative behaviors in the organizations and the outcomes associated with these behaviors. The results of this study provided top management with a distinct set of factors they could promote and support in order to influence innovative behavior in the organizations. Most of the empirical studies exploring the outcomes of corporate entrepreneurship focused on the objective measures of organization performance. This study focused on subjective measures of performance.

1.6 Scope and Limitations of the Study

1.6.1 Scope of the Study

The study confined itself to the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company, Kenya. Specifically the study analyzed resource availability, organization structure, risk taking and failure tolerance and management support on one hand and their effects on organizational performance at Kenya Power and Lighting Company on the other. The study further limited itself to Nairobi, Western and Mt. Kenya regions of Kenya Power and Lighting Company.

1.6.2 Limitations of Study

Although the results of this study are encouraging, there were several limitations. The primary limitation with this study deals with sampling bias. Coast region was omitted due to economic and time factor. This sampling frame may be inherently biased by its nature and may not be an accurate representation of the population under study. To address this limitation, the regions that were selected were considered representative of the target population.

Another limitation of this study deals with validity. As noted, this study relied upon previous research to establish the validity of the measures used in this research. All eight scales used in the study were adopted from previously published studies that reported the validity and reliability of the scales. This was addressed by going through the questionnaire in relation to the set objectives and making sure that they contain all information that could enable answer these objectives.

The study also anticipated possibility of some respondents providing dishonest information, which when left unchecked can bear on the authenticity and validity of the results. This limitation was addressed by assuring the respondents that the information obtained from them will be treated with utmost confidentiality and used for study purposes only.

1.8 Definitions of Terms and Operationalization of Variables

Corporate Entrepreneurship

Corporate entrepreneurship refers to the willingness of an individual to embrace new opportunities and take responsibility for effecting creative change in organizations (Morris, 2001).

Management Support

This refers to the extent to which management is willing to facilitate and promote entrepreneurial activity in the organization

Organizational Structure

This refers to the extent to which organizations structure formally support entrepreneurial activities

Performance

This refers to the subjective organizational performance such as Job satisfaction, perceived organizational contribution, commitment and memory orientation.

Resource Availability

This is the extent to which resources (including time) are available for entrepreneurial activity

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

In this section this study has presented a review of literature and conceptual framework for the study. The chapter began with a general overview of corporate entrepreneurship and the various strategies adopted by organizations to nurture corporate entrepreneurship. This section also briefly reviewed relevant literature on strategic outcomes of corporate entrepreneurship. The chapter concluded with a theoretical and conceptual framework.

2.2 Corporate Entrepreneurship

Corporate entrepreneurship refers to the willingness of an individual to embrace new opportunities and take responsibility for effecting creative change (Morris, 2001). Dyer (2001) defines corporate entrepreneurship as 'the management of bold ideas, whose success requires a combination of clarity and boldness of vision and purpose. By this definition Dyer (2001) appear to advocate for deliberate and well-managed action to follow up on those ideas, if corporate entrepreneurship were to be realized. Scholarly works on corporate entrepreneurship are traceable to mid 1970s following an article in The *Economist* in 1976 by Macrae, which predicted a number of trends in business. He argued in this article that businesses of the future should simultaneously be trying alternative ways of doing things in competition with themselves. In a survey called '*The Coming Entrepreneurial Revolution*' he argued that: "the methods of operation in business are going to change radically in the next few decades, in a direction opposite to that which most businessmen and nearly all politicians expect" (Macrae, 1982).

Writing on the popularity of corporate entrepreneurship in contemporary organizations Kuratko and Hodgetts (1995), observes that the strong need for corporate entrepreneurship has been prompted largely by rapidly growing, new and sophisticated competitors, a sense of distrust of traditional management, and an exodus of many of the best employees, who are leaving the organization in order to start their own companies. Accordingly, organizations are therefore being encouraged to develop the corporate entrepreneurship spirit within their boundaries, so as to nurture an atmosphere of innovation and creativity. This new corporate revolution represents an appreciation for and a desire to develop corporate entrepreneurship within the corporate structure. Other scholars have argued that corporate entrepreneurship by

the very fact that it encourages employees to seize opportunities, and convert opportunities into marketable ideas, can effectively be used to catalyze and execute organizational change (Smilor & Sexton, 1996).

While looking at strategies employed by organizations to achieve corporate entrepreneurship Sharma and Chrisman (1999) identified internal innovation, joint ventures or acquisitions; strategic renewal; product, process, and administrative innovations as some of ways through which corporate entrepreneurship is pursued in organizations. By taking this line of thought the two scholars want corporate entrepreneurship to be viewed as the sum of organization's innovativeness, risk taking, and pro-activeness. These orientations they maintained enabled organizations to enhance their innovative performance, adaptation to change and strategic flexibility to changes in the external environment.

Contributing on the key approaches to corporate entrepreneurship Miles Paul and Wilhite (2003) see innovativeness as the ability of the firm to create new products and successfully introduce them to the market. Pro-activeness they argue is the ability of organizational leadership to exploit and utilize the market opportunities with new initiatives or to take the competitive advantage in existing markets. They added that innovativeness enhances the organization's commitment to process, which aims at creating value and entrenching entrepreneurial spirit in the organization. Pro-activeness shows a firm's aggressive pursuit of market opportunities and a strong emphasis on shaping the environment by being among the very first to undertake innovations on products, services, technologies and management techniques in its industry. Riskiness according to the two scholars's referred to the firm's disposition to support innovative projects, even when the payoff from these activities is uncertain.

Zahra's (1993) assertion that collectively, these activities (innovation, pro-action and risk-taking) can enhance the company's ability to recognize and exploit market opportunities well ahead of its competitors is an expression of the need for organizations to embrace the three strategies simultaneously. The link between corporate entrepreneurship and organizational performance has been alluded to by Enfring (2005) although he argues that there is still consensus on this. But it is Burgelman (1983) who candidly asserts that corporate entrepreneurship represents an important source of strategic behavior. He, however, added a rider to this by indicating that work autonomy should be part and parcel of managerial

philosophy if corporate entrepreneurship is to be successfully implemented in the organization. He argued that, the autonomous strategic behavior of middle managers provides the raw material - the requisite diversity - for strategic renewal and that top management actions and responses in relation to the autonomous strategic behavior of middle managers may significantly influence the frequency and success of entrepreneurial effort in the firm.

The above scholars have ably traced the emergence and relevance of corporate entrepreneurship to contemporary business organizations. They have shown that corporate entrepreneurship was first introduced in the 1970s and have a lot of scholarly contributions made on it over the years. These scholars also attempted to account for the popularity of corporate entrepreneurship to contemporary organizations, in which they noted that competition in the business has largely been responsible for the increasing embrace of corporate entrepreneurship. But amidst all these, these scholars have not decisively dealt with specific strategies used in corporate entrepreneurship leave alone their effect on organizational performance. This study not only looked at various strategies employed toward achieving corporate entrepreneurship but also moved further to investigate the link between these strategies and organizational performance.

2.2.1 The Relationship between Risk Taking and Failure Tolerance and Organizational Performance

Scholars such as Hornsby, Kuratko, and Montagno (1999) and Jennings and Lumpkin (1989) extensively wrote on risk taking and failure tolerance as distinctive feature of organizations that foster entrepreneurial spirit. Risk taking is conceived as the willingness of an organization to take risks and tolerate failure (Hornsby, Kuratko, and Montagno, 1999).Scholarly studies such as that Jennings and Lumpkin (1989) revealed that risk taking is positively viewed by organizations. In their study, the two scholars reported that about 56% of financial institutions surveyed encouraged calculated risk taking and as such do not penalize managers if risky projects failed.

However, studies on risk taking and failure tolerance have not been limited to financial institutions only. Although studies by (Sykes, 1992), (Pearce et al., 1997), (Stopford and Baden-Fuller, 1994), and Zahra, (1991) did not reveal the popularity this strategy in other industries, these studies provided evidence that even non-financial sector industries also use risk taking and risk tolerance as corporate entrepreneurship strategy. One major

recommendation that appeared to underpin all these studies is the call for organizational leadership to provide an environment, or climate, to foster entrepreneurial activity. The choice of Kenya Power and Lighting Company was thus in line with other studies as has already been demonstrated by several scholars mentioned herein.

Studies further indicate that entrepreneurial activity is not limited to particular industry sectors (Morris and Jones, 1999) or strictly to the size and age of an organization (Chittipeddi and Wallett, 1991). Therefore, the attributes identified in the private sector studies are applicable to public sector organizations as well and were analyzed in a study of the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company.

Some scholars argued that management support is essential in promoting entrepreneurial activity in organizations, which include risk taking and risk tolerance (Damanpour, 1991). In his study, he reported a positive relationship between managerial attitude toward change and an internal climate conducive to innovation. The findings of this study underscored the relationship between managers and subordinates with regard to risk taking. Ordinarily, it is expected that management team that allows subordinates to undertake their roles in creative ways is not only tolerant to risk taking but also innovation. An organization with this work environment stands to inspire corporate entrepreneurship.

While contributing on how management can inculcate the culture of risk taking and tolerance of the same, Kuratko et al. (1993) provided a number of recommendations for creating a climate that is conducive to entrepreneurial activity in an organization. These recommendations identified as the setting up of explicit goals, provision of a system of feedback and positive reinforcement, placing of emphasis on individual responsibility, and rewarding employees based upon results. Implied in these recommendations is the need for organizational leadership to align corporate entrepreneurship with human resource functions. Indeed this study conceded that individual creativity and innovation can only be inspired in an environment where effective rewards, training and development as well as performance management mechanisms exists.

Although many scholars appear to suggest that corporate entrepreneurship is to be practiced by subordinates, Pearce et al. (1997) showed that corporate entrepreneurship must flow from

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organizational leadership down to the subordinates. They found that managers who exhibit entrepreneurial behavior have a positive impact on their subordinates, who reported increased levels of satisfaction. This study agreed with Pearce et al. (1997) especially in their assertion that organizational leadership must itself practice corporate entrepreneurship. This study holds that by itself, taking risks and tolerating losses that may arise from risks, organizational leadership are in a significant way providing the necessary impetus to their subordinates to follow suit.

Risk taking and tolerance to failure according to Hornsby *et al.* (2002) can also be encouraged through work autonomy. These scholars observed that the discretion and extent to which employees are empowered to make decisions about performing their own work in the way they believe is most effective gives them room to employ a variety of methods in task performance. While employees may occasionally not achieve the right results and that they stand to be criticized on the same, Hornsby *et al.* (2002), advice that such criticisms should be positive and aimed at improving future decision making and performance. It is this tolerance of failure that facilitates innovation, pro-action and risk-taking behaviors in employees they concluded.

2.2.2 The Link between Resource Availability and Organizational Performance

Organizations need various resources for successful performance of various tasks. Resources need to be available in sufficient qualities and quantities. But another important dimension to resources that scholars link to corporate entrepreneurship is their availability at the right time (Hornsby, Kuratko, and Zahra, 2002). This factor suggests that employees must believe they have the resources at the right time for which they need for entrepreneurial activities.

On a similar vein, Hornsby, Kuratko, and Zahra (2002) point out time itself as another resource in organizations that spar corporate entrepreneurship. Although these scholars have not enumerated on how time is considered as a resource, this study believed that employees should be accorded adequate time while undertaking their tasks. This means that employees should utilize their time in a creative manner to avoid tardiness. But at the same time organizations should provide flexible working hours that allow employees to take some time to think on how certain tasks could be performed in an innovative and creative manner.

While supporting Hornsby, Kuratko, and Zahra (2002) idea of time as one of the essential organizational resources, Slevin and Covin (1997) suggested that time can be used to an organization's advantage in fostering entrepreneurial activity, but that it requires organization leaders to keep the organization aligned with the operating environment and prevent the fire-fighting mode that consumes excess resources. This observation by Slevin and Covin (1997) on time as a resource is an invitation to organizational leadership on the need for better management of time. This further implies that time must be consciously managed in same way resources such as financial, human and physical resources are managed in organizations.

Contributing to the concept of resource availability Kreiser *et al.*, 2002 argued that employees need to perceive resources as accessible for corporate entrepreneurship activities. By introducing the idea of employee perception of the accessibility of resources, it is a confirmation that while resources may be available in the organization, they may not be accessible to the employees who need them. This study concurred with the observation that resource availability is one thing and access to the resources is another. But this observation further vindicates an observation made, in which it asserted that resource availability per se is not panacea to organizational performance.

The significance of resource availability and organizational performance has been demonstrated by many studies including that of Damanpour (1991), which found a positive relationship between resource availability and innovative activity in organizations. The fact that this study found that resource availability and innovation were positively related suggested that the more the resources the greater the level of employee innovativeness. It is also important to observe here that resource availability does not necessarily lead to innovation. As other scholars have already observed, organizational leadership must cultivate and inculcate entrepreneurial culture in the organization in order for availability of resource to have a significant bearing on employee innovation.

This study submitted that for new and innovative ideas to thrive, individuals should have time to incubate their ideas. Organizations should be reasonable in assigning the workload of their employees and allow employees to work with others on long-term problem solving. To create an entrepreneurial work environment, employees should be allowed to conduct creative, entrepreneurial experiments in a limited portion of their work time.

2.2.3 The Relationship between Supportive Organizational Structure and Performance

An organizational structure that is supportive to entrepreneurial activities is that which provides formal channels, by which ideas are submitted, evaluated, and implemented (Hornsby, Kuratko, and Zahra, 2002). A predictable channel of communication encourages employees to communicate their concerns to their superiors. This predictability of channel of communication should be seen with regard to how efficient and effective feedback flow within the organization structure. Covin and Slevin (1991) suggested that entrepreneurial activity in an organization is positively affected by an organizational structure that includes decentralized decision-making, a flatter organizational structure, and open communication channels.

Supportive organizational structure and boundaries should provide the administrative mechanism by which ideas are evaluated, chosen, and implemented (Goosen, 2002). While Goosen (2002) does not suggest the mechanisms that organizations should employ to facilitate evaluation, choice and implementation of ideas, he nonetheless calls for an organization structure that broadens decision making process in the organization. Broad based decision making process is important in forestalling resistance that may come due to employees complaint that they were not involved in decision reached. This study also holds that employee engagement apart from preventing resistance also helps in reaching quality decisions that are novel, innovative and implementable.

Whereas communication channels should be formal Hornsby et *al*. (2002) cautions that such formality should be devoid of bureaucracy. He argues that a bureaucratic organizational structure leads to perceived boundaries, preventing people from noticing problems outside their own jobs. People should be encouraged to look at the organization from a holistic perspective. Organizations should avoid having standard operating procedures for all major parts of jobs and should reduce dependence on narrow job descriptions and rigid performance standards. By discouraging organizations from routine way of doing things it is clear that these scholars are aware of work monotony and exposure to avoid errors through routine tasking. Creativity, this study believed can be nurtured through the adoption of flexible job description.

Other attributes of supportive organization structure are those that enhance information sharing, formal communication between the organization and its external environment

(Zahra, 1991). These attributes Zahra found to positively contribute to financial performance in organizations. While this study attempted to establish the link between supportive organization structure and performance, a scenario that a study by Zahra (1991) found to be related, this study differed from her study as it looked at subjective and not objective measures of performance.

Like other corporate entrepreneurship strategies organizational leadership have been critical in the development and sustenance of supportive organization structure. Studies by Porter (2008), Montgomery (2008), Kaplan and Norton (2008) and Kanter (2008) confirmed the linkages organizational leadership have on the one hand and competition strategy and organizational performance on the other. These findings provided a solid ground to conclude that organizational leadership has a crucial role in shaping an organization structure that support viable and sustainable innovation, competitive advantages and employees' capabilities. It captures the encouragement and willingness of organizational leadership to facilitate corporate entrepreneurship activities within the organization. Leadership that promotes supportive organization structure stands to significantly encourage employees to solve problems in innovative ways, seek opportunities in a pro-active manner and embark on moderately risky projects.

2.2.4 The Relationship between Management Support and Organizational Performance

Another factor promoting entrepreneurial activity in organizations is management support, which indicates the willingness of managers to foster and promote entrepreneurial activity in an organization (Hornsby, Kuratko, and Zahra, 2002). Damanpour's study (1991) of potential determinants of organizational innovation, one of the three primary facets of entrepreneurship, found a positive relationship between managerial attitude toward change and an internal climate conducive to innovation. Kuratko et al. (1993), in the assessment of strategies for entrepreneurial activity, provided a number of recommendations for creating a climate that is conducive to entrepreneurial activity in an organization. These recommendations include setting explicit goals, providing a system of feedback and positive reinforcement, placing emphasis on individual responsibility, and rewarding employees based upon results. Pearce et al. (1997) found that managers who exhibit entrepreneurial behavior have a positive impact on their subordinates, who reported increased levels of satisfaction.

Guth and Ginsberg (1990) included, here, the following factors: (a) The management style of top managers affects the level and performance of new corporate ventures; (b) Middle managers effectiveness at building coalitions among peers and higher-level managers in support of their entrepreneurial ideas affects the degree of success in their implementation; (c) Banks that are more innovative are managed by more highly educated teams, who are diverse with respect to their functional areas of expertise. Many would argue that entrepreneurial behavior in organizations is critically dependent on the characteristics, values/beliefs, and visions of their strategic leaders. The role of both individual managers and management teams in corporate entrepreneurship warrants considerable further research. Since innovation is an uncertain, incremental process, strategic managers cannot apply traditional planning techniques to attempt to control entrepreneurial venturing.

2.3 Strategic Outcomes of Corporate Entrepreneurship

Organizations that encourage entrepreneurial activity are interested in positive outcomes. These outcomes can be objective measures, such as profitability and earnings per share, or subjective measures, such as employees' job satisfaction, commitment to the organization, and perceived organizational contribution. Most empirical studies exploring the outcomes of corporate entrepreneurship have focused on the objective measures of organizational performance in private sector firms. Zahra and Covin (1995) provide strong evidence of the link between entrepreneurial activity and financial performance in their study of 108 firms using data collected over a seven-year period. This study wished to depart from other studies by looking at subjective measures of organizational performance

Lumpkin and Dess (1996) in proposing a framework for investigating the link between an entrepreneurial orientation and firm performance, point out that while financial measures of performance such as growth, market share, and profitability are important, additionally, non-financial measures may be just as important in the study of entrepreneurial outcomes. The commitment and satisfaction of organizational members are among the non-financial factors suggested by Lumpkin and Dess (1996). Non-financial factors examined in this review are job satisfaction, perceived organizational contribution, commitment and memory orientation.

Dormann and Zapf (2001) defined job satisfaction as a pleasurable or positive emotional state resulting from the assessment of one's job or job experiences. The choice of job satisfaction as an indicator of organization performance was informed by the fact that several studies

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have linked it to a variety of positive organizational outcomes. For example, Trevor (2001) showed that employees who were satisfied with their job were more productive and had lower rates of intention to leave the organization. Additionally, job satisfaction has also been linked to entrepreneurship. Hindle and Cutting (2002) found that pharmacists who had received formal entrepreneurship education reported higher levels of job satisfaction than their counterparts that had received no entrepreneurial training. A study by Powell and Bimmerle (1980) also reported that individuals' entrepreneurial aspirations were influenced in part by their desire for an increased level of job satisfaction.

Perceived organizational contribution has also been variously cited as another outcome of subjective organizational performance. Perceived organizational support refers to employees' perceptions that their organization values their contributions to the organization (Rhoades and Eisenberger, 2002). As with job satisfaction, employees' perceived organizational support has been linked to positive organizational outcomes such as increased performance and decreased turnover intent. Shepherd and Krueger (2002) provided a link between entrepreneurship and perceived contribution to the organization. In their study of entrepreneurial teams, they suggested that entrepreneurial activity is positively related to teams' perceptions that their actions are desirable to the organization.

Organizational commitment can be viewed as a three-component model, consisting of affective commitment, continuance commitment, and normative commitment (Allen and Meyer, 1990). Affective commitment reflects employees' emotional attachment to the organization, continuance commitment reflects employees' view of the costs associated with leaving the organization, and normative commitment refers to employees' feelings of obligation to remain with the organization. The relevance of organizational commitment as an indicator of organizational performance has been given by (Perry and Wise, 1990). Their scholarly writings suggest a positive relationship between commitment and favorable organizational outcomes such as higher levels of motivation and greater organizational effectiveness. Similarly, Romzek (1990) asserted that increased organizational commitment is necessary in retaining quality among employees in the public sector.

Hult et al. (2000) defined memory orientation as the degree to which organizational members stress communication and sharing of knowledge. Jaworski and Kohli (1993) suggest that greater levels of organization-wide communication and knowledge sharing result in greater

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organizational commitment and esprit de corps among employees. Empirically, Chaston et al. (2001) found that entrepreneurial firms possessed higher levels of organizational learning and better managed information than their non-entrepreneurial counterparts. Slater and Narver (1995) suggested that entrepreneurship was a key piece of an organization's foundation for organizational learning.

2.4 Theoretical Framework

This study was guided by resource-based and social exchange theories. Resource-based theory was used to explain the kinds of resources organizations require to effectively promote corporate entrepreneurship while social exchange theory was used to explain the nature of relationship between organization leadership and employees and among employees that enhance corporate entrepreneurship.

2.4.1 Resource-Based Theory

Resource-based theory dates back to the 1950s, with the idea of 'organization's distinctive competence'. Proponents of this theory such as Barney (1986) argue that a firm's competitive advantage and superior performance depends largely on its resources and capabilities, which are not only valuable but are also costly to be imitated by competing firms. Other resource-based theorists assert that a firm's resources accounts for the difference in performance between it and other firms (Barney, 1991; Grant, 1991; Peteraf, 1993).

It is apparent here that resource-based theory is more concerned with the central issue of how a firm can attain superior performance in a competitive market. The theory appears to further suggest that superior performance results from acquiring and exploiting unique resources of the firm. While drawing our attention to the kinds of resources that a firm may have Wernerfelt (1984), observes that these resources may be tangible or intangible and are harnessed in a way that enables a firm to achieve competitive edge over its competitors. Implied in his observation is that performance of a firm does not entirely lie in the availability of resources but the exploitation of these resources. So that organizations that exploit their resources well performs better, than poor resource exploiters.

Barney (1991) places human resource in a firm as among the most valuable resources especially in his insistence that a firm's strategic plans be aligned to its human capital and

that firms should employ skilled personnel to help it execute its strategies. But he added that to have the potential to generate competitive advantage, a firm's resources must exploit opportunities and/or neutralizes threats, must be rare among a firm's current and potential competition, must be imperfectly imitable and there cannot be strategically equivalent substitutes for this resource. The proposed study argues that a firm's human resources cannot satisfy these conditions unless it employs high levels of creativity and innovation. In other words, the attributes points to the need for employees to be entrepreneurial. But this can only be achieved if entrepreneurial culture is entrenched in the organization.

While looking at the contribution of resource-based theory to strategic management, Fahy (2000) argued that by providing insights into the nature of competitive advantage, the resource-based view of the firm has already made an important contribution to the field of strategic management. This theory greatly enhances our understanding of the nature and determinants of superior performance. It helps to explain why some resources are more advantage-generating than others and also why competitive advantages persist even in conditions of open competition.

2.4.2 Social Exchange Theory

Social exchange theory is based on the premise that human behavior or social interaction is an exchange of activity, tangible and intangible (Homans, 1961), particularly of rewards and costs. It treats the exchange of benefits, notably giving others something more valuable to them than is costly to the giver, and vice versa. Social exchange theory's fundamental premise is that human behavior is an exchange of rewards between actors. The study considers exchange between organization and its employees.

Not only is the market permeated by exchange but also the non-economic realm-the social relations situated between extremes of intimacy, self-interest or cost-benefit calculation and disinterested, expressive behavior (Blau, 1964). Social exchange is composed of actions of purposive actors that presuppose constellations of their interests and resources. In the proposed study, although all the two actors publicly may suggest to mean well for each other, they always pursue on own interests. These interests may at times be in cooperation or competition to those of the other actors. For instance, while an organizational leadership and employees may outwardly appear to be committed to corporate entrepreneurship, they may in

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reality be out to reap personal benefits with very little focus on the organization's concerns. This web of relationship among the actors-management and employees- may serve as an obstacle to successful execution of corporate entrepreneurship. However, genuine engagement among the two actors with other factors held constant may serve as an impetus to effective performance of organizations with regard to corporate entrepreneurship.

Social exchange is characterized by unspecified personal obligations and trust as well as intrinsic-in conjunction with extrinsic--rewards, thus occupying the middle ground between pure calculation of advantage and pure expression of love (Blau, 1994). The persistence and extension of social exchange are conditioned by bonds based on personal trust, unlike economic transactions that rely on impersonal markets and legal regulations. The proposed study holds that the continued mutual engagement among the two actors in corporate entrepreneurship depends on how these actors feel they trust each other and willing they are to continue to work together. Where such trust fades, organizations may lose entrepreneurial spirit from their employees and moral and social approval of its products by clients. The collapse of these relationships may lead to below performance on the part of individual employees specifically and organizations in general.

2.5 Conceptual Framework

This conceptual framework was modeled along the objectives of this study and the literature reviewed. The main players in the creation and execution of corporate entrepreneurship in the organization are organizational leadership and employees, who relate as superior-subordinate. Leadership is the one who initiates and creates an entrepreneurial climate. Employees on the other hand are required to employ creativity and innovativeness while performing their duties. It is this creativity and innovation that forms the hallmark of corporate entrepreneurship. To inculcate and nurture entrepreneurial climate, organizational leadership employs a variety of strategies singly or in combination. While there are many of these strategies, this study limited itself to risk taking and tolerance to failure, development and maintenance of supportive organization structure, availing essential resources to employees and management support for new ideas and creativeness. These relationships are summarized in Figure 2.5.1

Corporate Entrepreneurship
- Risk Taking & Tolerance to Failure
- Supportive Organization Structure
- Resource Availability
- Management Support

Organizational Performance
- Job Satisfaction
- Perceived Organizational Contribution
- Commitment
- Memory Orientation
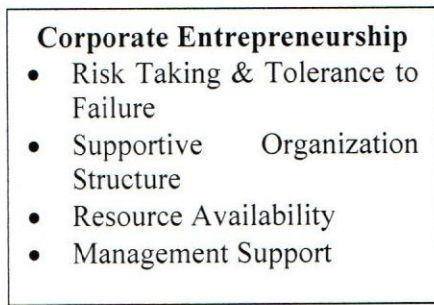
Contextual Factors
- Procurement Procedures
- Environmental factors
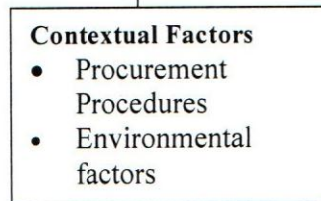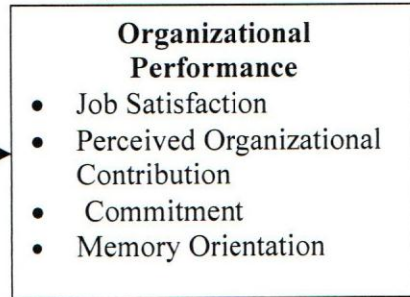
Moderating Factors

Figure 2.5.1: The Influence of Corporate Entrepreneurship on Organizational Performance

Source: *Modified from* Ferreira, Joao (2002).

It was held in this study that in order to successfully nurture entrepreneurial climate, organizational leadership should encourage employees to take risks by being fairly tolerant to those employees whose risk taking efforts gives undesired results. While criticisms of failures to achieve desired results are encouraged, care should be observed to ensure that it is done constructively and with the sole purpose of improving future performance. This is because if employees are heavily and destructively criticized, they interpret such criticisms as a veiled attack on their risk taking initiatives. As a result such employees may not take risks in future even in cases where it is worth taking risks. But the danger of destructive criticisms may not be limited to employees in question but also others who may be privy to the criticisms.

It is thus concluded here that organizational leadership should strive to tolerate failures and where they have to offer criticisms; it should be detached from the employee in question but focused on the failed tasks. This will make employees feel secure in their jobs, cheerful and thus contribute to higher level of job satisfaction, a feeling of highly valued and encouraged

to share their innovative experiences with other employees, and above all committed and forward looking in the organization.

Organizational leadership can also inspire corporate entrepreneurship through its organization structure. An organization structure that cultivates employees' creativity and innovation is described as supportive. A supportive organization structure is one that encourages predictable channels of communication, facilitates sharing of information within and between business units as well as between organization and its external environment. Further, a supportive organization structure should have effective span of control to allow easy communication between superiors and subordinates.

This study held that employees in an organization with a supportive organization structure find it easy to interact with their superiors, in which case will voice their concerns, seek advice and share with their colleagues their experiences with much ease. Such employees undoubtedly find their work environment pleasant; a situation that greatly enhance their performance. And with an enhanced performance employees feel more satisfied with their jobs, freely and confidently share information among them and become more committed to the organization.

The fact that organizations may encourage risk taking and tolerance to failure, have a supportive organization structure and even have the right resources in the right quantity and quality may not in themselves lead to entrepreneurial climate and thus corporate entrepreneurship in the organization. Organizational policy on procurement of resources may also intervene and affect the strategic outcomes of corporate entrepreneurship. Highly bureaucratic procedures though may be good for governance purposes, may delay delivery of resources to a point that discourages the employees. But of more concern to this study was to do with the level of employee involvement in identifying organizational resources. This study maintained that policies that allow the input of resource users in the identification of organizational resources are not only important in procuring the right resources but also making employees feel that they are valued in the organization. To this extent, resource acquisition procedures may determine the strategic outcomes of corporate entrepreneurship.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This section indicates research design adopted, where the study was done. Other issues discussed are population target for the study and sampling procedures. Methods of data collection and analysis and presentation are also discussed here.

3.2 Research Design

The study employed correlation research design to investigate the effect of corporate entrepreneurship on performance at Kenya Power and Lighting Company. Surveys are frequently conducted for the purpose of making descriptive assertions about a population, which is discovering the distribution of certain traits or attributes (Babbie, 1990).

3.3 Study Area

The study was conducted at Kenya Power and Lighting Company regional network comprising of Nairobi, West, and Mt. Kenya regions. The Kenya Power and Lighting Company is a limited liability company which transmits, distributes and retails electricity throughout Kenya. It is a public company incorporated in 1922 as East African Power & Lighting Company and is listed at the Nairobi Stock Exchange. It changed its name to Kenya Power and Lighting Company in 1983. The majority shareholder in KPLC is the Government of Kenya and its institutions, while the rest is owned by private shareholders. Before a major power sector restructuring in 1997, KPLC also managed all generating stations on behalf of the Government. Currently, KPLC only manages some diesel-generating stations which are owned by the government, and which are isolated from the national interconnected grid. It currently has about 6,000 corporate and 1.5 million domestic customers nationally.

3.4 Target Population

This study targeted employees of Kenya Power and Lighting Company in West, Nairobi and Mt. Kenya region estimated to be 5900. This was the target population of this study (www.kplc.co.ke).

3.5 Sampling Design

The survey used the Multi-stage sampling method. Convenient sampling method was used to include West, Nairobi and Mt. Kenya regions in the study, omitting coast due to time and financial implications. Stratified sampling design was employed on the administration structure in terms of job groups. Simple Random sampling was used to select the respondents, proportionately to the size of the stratum as shown in Table 3.5. The assumptions of most models of computing sample sizes are that a simple random sample is the sampling design. More complex designs such as stratified random samples, must take into account the variances of subpopulations, strata, or clusters before an estimate of the variability in the population as a whole can be made (Smith, 1983). Cochran (1963) argued that a good sample, say 200-500, is needed for regression, analysis of covariance, or log-linear analysis. Kish (1965) indicated that 30 to 200 elements are sufficient when the attributes have normal distribution. Since the study used multi-stage sampling design, anticipated a normal distribution and involved regression analysis, a representative sample of 200 employees from the three regions was selected. The study used existing human resource database as at December 2009.

Table 3.5: Sample Size per Region

	Nairobi		West		Mt. Kenya	
	Population	Sample	Population	Sample	Population	Sample
Executive	104	4	10	1	7	1
S. Standard	360	12	98	3	63	2
Standard	750	26	351	12	209	7
Union	1201	40	1733	59	972	33
Total	**2415**	**82**	**2192**	**75**	**1251**	**43**

3.6 Data Collection Method

A large amount of data was needed from employees who were wide spread around the country, thus concluding that a questionnaire was the most appropriate tool of data collection. In addition, quantitative data tends to be preferred in the corporate world as it is easier to 'see the bottom line'. Primary data was collected from sampled study respondents. The data was both quantitative and qualitative.

3.7 Data collection instrument and Administration

The research employed the use of questionnaire as an instrument of data collection since it offered a cheaper, more convenient way of obtaining information from large numbers of people over a wide geographical area. This was also mainly due to the fact that employees could remain anonymous, and were therefore more likely to respond freely and openly. The questionnaire for this study was developed to measure the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company. A 58-item, questionnaire was used to gather data for this study (a copy is provided at Appendix I). Permission to collect data was sought from the relevant authorities. The researcher visited the three regional Human Resource officers with the list of the intended respondents and a request to act as liaison. Hence, Human resource officers in each region included in the study acted as a liaison between the researcher and the respondents. In some cases, mailed questionnaire were used to collect data from the respondents especially in far areas of the study area. In order to minimize the limitations of mailed questionnaires, follow-ups were made using telephone to respondents for clarifications, enquires and reminders. A period of one month was used to carry out the survey. The questionnaire for this study was developed to measure (1) The factors of corporate entrepreneurship, and (2) Subjective Performance associated with these corporate entrepreneurship.

Factors of corporate entrepreneurship: A Thirty-nine item scale, adopted from Hornsby, Kuratko, and Zahra's Corporate Entrepreneurship Assessment Instrument (2002) was used to gauge the factors that promote entrepreneurial actions within KPLC. All items were measured using a Likert-style, five-point response format that ranged from 1 = strongly disagree to 5 = strongly agree.

Management support was measured with 21 items. These items measured the extent to which respondents felt management was willing to facilitate and promote entrepreneurial activity in the organization. An example item was: "My organization is quick to use improved work methods."

Five items were used to measure resource availability. These items measured the extent to which people felt they had resource and time available for entrepreneurial activity. An example item was: "I always have plenty of time to get everything done."

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Supportive organizational structure was measured. Four items were used to measure the extent to which people felt they had a supportive organizational structure for entrepreneurial activity. An example item was: "On my job I have no doubt of what is expected of me."

Risk taking and failure tolerance was measured with 9 items. These items measured the extent to which people felt they had discretion and autonomy to engage in entrepreneurial activity in the organization. An example item was: "This organization provides freedom to use my own judgment."

Subjective performance outcomes: Job satisfaction, perceived organizational contribution, affective commitment, normative commitment and memory orientation, were measured as performance outcomes. A five-point, Likert style response format that ranged from 1 = strongly disagree to 5= strongly agree was used.

Job satisfaction was measured with two items that came from scales developed by Cammann et al. (1983). These items measured the extent to which respondents viewed their job positively. An example item was: "All in all, I am satisfied with my job."

Perceived organizational contribution measured with three items from Lynch et al.'s three-item scale to measure perceived organizational support (1999). These items were used to assess the extent to which people believed they make contributions to the organization. An example item was: "I encourage others to try new and more effective ways of doing their job."

Affective commitment and normative commitment were both measured using scales presented by Allen and Meyer (1990). Three items were used to measure affective commitment. These items measured the extent to which respondents are emotionally attached to the organization. Three items were used to measure normative commitment. These items measured the extent to which people felt obliged to remain with the organization.

Eight items developed by Hult et al. (2003) were used to measure memory orientation. The items measured the extent to which respondents viewed particular aspects of the learning process within the organization, such as the interconnectedness of various parts of the organization and whether mechanisms existed for sharing knowledge and experiences. An

example item was: "We have specific mechanisms for sharing lessons learned in our organization."

3.8 Validity and Reliability

Validation of the data collection involved going through the questionnaire in relation to the set objectives and making sure that they contain all information that could enable answer these objectives. To ensure reliability, the questionnaire was pre-tested on a few selected respondents from the Coast region. The results of the piloted instruments were used to calculate the reliability coefficient. The reliability co-efficient (alpha value) of more that 0.7 was assumed to reflect the acceptable reliability. The Alpha value ranges from zero to one and indicates the reliability of an instrument. The more the Alpha value is closer to one, the more reliable the instrument. The reliability coefficient from the piloted instruments was 0.79.

3.9 Data Analysis and Presentation of Results

Data analysis was aided by computer using SPSS (Version 12.0). Descriptive statistics, correlation and regression analysis were used to analyze data once cleaned and coded. Results were presented in tables, pie charts, graphs and percentages to ease comprehension. In order to determine the effect of corporate entrepreneurship on organizational performance within KPLC, Pearson correlation analysis was used. In this case data on the various aspects of corporate entrepreneurship such as risk-taking and failure tolerance, resource availability, supportive organizational structure and management support were correlated with data on various aspects of performance such as job satisfaction, perceived organizational contribution, commitment and memory orientation.

In this study, regression analysis was used to determine the strength and direction of association between strategic change and organizational performance. In all cases, correlation analysis was tested at $p < 0.05$ and 0.01 significance levels (2-tailed test), as conventionally applied in social science surveys. The technique is based on the linear equation model expressed as: $Y = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + \ldots\ldots b_nx_n + Error$.

Where Y= dependent variable – organizational performance (job satisfaction, perceived organizational contribution, commitment and memory orientation)

b_0= constant

b_1, b_2, b_3, b_n= corrélation coefficient

x_1, x_2, x_3 ...x_n= independent variables (risk-taking and failure tolerance, resource availability, supportive organizational structure and management support)

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the research findings and discussion of the results with reference to the specific research objectives. Broadly this study was aimed at establishing the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company.

4.2 Demographic Characteristics of the Respondents

This section presents a brief description of the demographic characteristics of the sampled respondents involved in this study. Such a description is considered to be very important in providing a better understanding of the respondents included in the study and therefore provide a good foundation for a detailed discussion of the results based on the stipulated objectives of the study. The demographic characteristics included designation, gender, level of education, division, region and years of service at Kenya Power and Lighting.

4.2.1 Distribution of the Respondent by Gender

The study sought to find distribution of study respondents by gender .Out of the total of 187respondents, 73% were males while 27% were females. This data showed that out of three male employee there is one female. A committee to look into gender distribution in the company to meet the constitutional requirement has been launched.

4.2.2 Respondents Age

The study findings, established that 31% of respondents were aged between 35 and 44 years, 26.7% were aged 25-34 years, 25.7% were aged 45-54years, 11.2% were aged over 55 years whereas only 5.3% were aged 18-24 years. These findings show that a significant proportion of the KPLC employees are aged between 25-44 years. It also shows that majority of the respondents are generally in their prime youthful years as shown in Table 4.2.2.

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Table 4.2.2: Respondents Age

Age Group	Frequency	Percent
18-24	10	5.3
25-34	50	26.7
35-44	58	31.0
45-54	48	25.7
> 55	21	11.2
Total	**187**	**100.0**

Source: Research data (2012)

4.2.3 Respondents' Level of Education

The Study sought to investigate distribution of respondents by highest level of education. According to study findings, University graduates accounted for 18% of the respondents, 44% had secondary education, 16% had Diploma education while 22% had certificate education. The data showed that majority of respondents had attained above secondary level of education. While higher levels of literacy and advanced schooling do not always result in innovative performance, it substantially enhances one's level of creativity and innovativeness. This, holding other factors constant may result to good performance. Results are as shown in Figure 4.2.3.
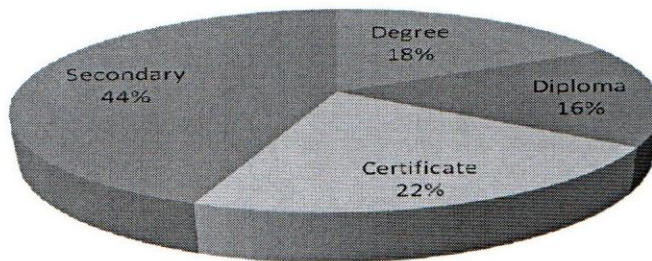
Figure 4.2.3: Level of Education

Source: Research data (2012)

4.2.4 Respondents Job level

The study assessed the composition of the study respondents by their job level. According to study findings 66% of respondents were in the Union category, 23% were in the standard category, 8% were senior standard while 3% were executive. This indicates that the bulks of the employees are in the union and standard who are the people who carry out the actual activities hence requiring being more innovative, creative and autonomous in their daily cores. The results are as shown in Figure 4.2.4.

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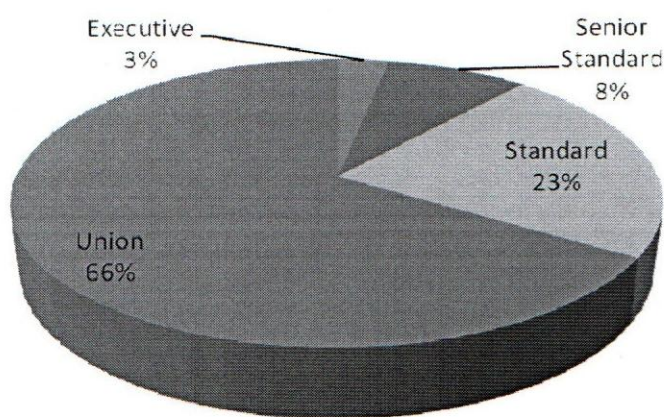
Figure 4.2.4: Respondents Job level
Source: Research data (2012)

4.2.5 Respondents' Division

The study assessed the composition of the study respondents by their job divisions. According to study findings, 28.9% of respondents were from Commercial services, 25.5% were from Distribution, 11.2% were from Energy transmission, 6.4% were from Stores, Transport & Supplies, 5.9% were from Managing director/CEO, 4.8% from Finance division, 4.3% each from Information Technology & Telecommunication, Planning, Research & performance Monitoring, Company secretary and Human Resource & Administration, respectively. Different departments have varying degree of autonomy due to the sensitivity of their duties and implication of their actions. The results are as shown in Table 4.2.5.

Table 4.2.5: Respondents by Division

Division	Frequency	Percent
Distribution	48	25.7
Commercial services	54	28.9
Energy transmission	21	11.2
Stores, Transport & Supplies	12	6.4
Information Technology & Telecommunication	8	4.3
Planning, Research & performance Monitoring	8	4.3
Finance	9	4.8
Human Resource & Administration	8	4.3
Company secretary	8	4.3
Managing director/CEO	11	5.9
Total	**187**	**100.0**

Source: Research data (2012)

4.2.6 Respondent's Regions

The study assessed the composition of the study respondents by their regions. According to study findings, 41% of respondents were from Nairobi region, 37.5% were from West region while 21.5% were from Mt. Kenya region. Though not an objective of this study, Studies have shown that employees who work far from the head quarters exercise more autonomy than those near the management nuclear. Results are as shown in Figure 4.2.6.
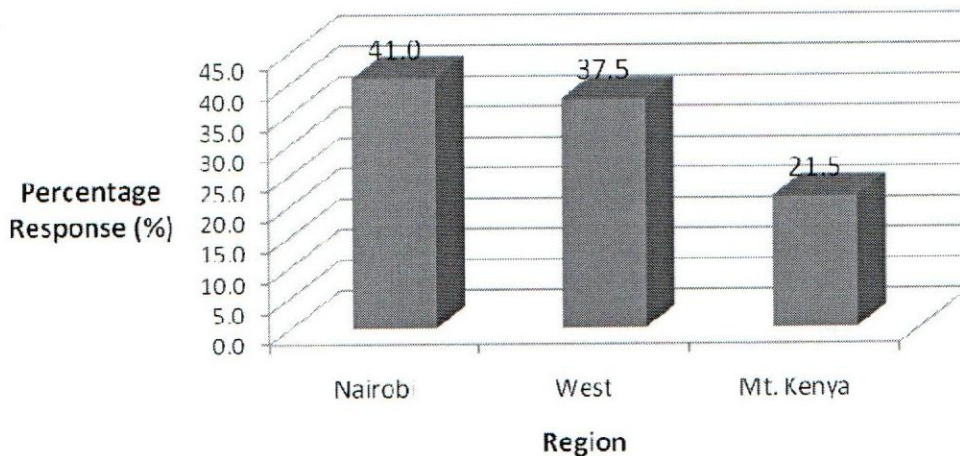
Figure 4.2.6: Respondents Region
Source: Research data (2012)

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4.2.7 Number of Years of Service

According to study data, 42.2% of the respondents had 11-15 years of working experience, 24.6% had worked for more than 16 years, 21.4% had worked for 6-10 years, and 7.5% had worked for 1-5 years whereas 4.3% had worked for less than one year. Studies show that habitual entrepreneurs learn from their experiences and thus have a distinct advantage over their less-experienced counterparts. Similarly Studies also show that habitual entrepreneurs experience enables greater ability to recognize and capitalize upon business opportunities. Results are as shown in Table 4.2.7.

Table 4.2.7: Years of Service

Duration	Frequency	Percent
< 1 Year	8	4.3
1-5 years	14	7.5
6-10 Years	40	21.4
11-15 years	79	42.2
> 16 Years	46	24.6
Total	**187**	**100.0**

Source: Research data (2012)

4.3 Effect of Corporate Entrepreneurship on Organizational Performance

Broadly, this study sought to establish the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company. To achieve this objective, the study investigated the various aspects of corporate entrepreneurship such as risk taking and failure tolerance, resource availability, supportive organizational structure and management support as discussed below:-

4.3.1 Risk-taking and Failure Tolerance

This objective aimed at determining whether the organization allows a work environment that allows for employees autonomy in decision making which will facilitate independent decision making in a creative and innovative manner which in turn offers for faster and efficient decision making for improved productivity and institutional performance. In this regard, the five point likert scale with strongly agree, agree, undecided, disagree and strongly disagree was used. The results are tabulated in the Table 4.3.1.

Table 4.3.1: Risk-Taking and Failure Tolerance

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
1. Individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not.	2.1	9.6	0.0	78.7	9.6	**3.839**
2. The "doers" are allowed to make decisions on projects without going through elaborate justification and approval procedures.	0.0	19.3	2.1	71.1	7.5	**3.668**
3. The term "risk taker" is considered a positive attribute for people in my work area.	2.1	7.0	9.6	76.5	4.8	**3.749**
4. People are often encouraged to take calculated risks with new ideas at KPLC.	0.0	0.0	0.0	92.5	7.5	**4.075**
5. I have the freedom to decide what I do on my job.	4.3	4.8	0.0	80.2	10.7	**3.882**
6. This organization provides the chance to do something that makes use of my abilities.	0.0	0.0	0.0	93.0	7.0	**4.069**
7. This organization provides freedom to use my own judgment.	0.0	0.0	0.0	89.3	10.7	**4.107**
8. I almost always get to decide what I do on my job.	0.0	6.4	0.0	88.8	4.8	**3.919**
9. I have much autonomy on my job and am left on my own to do my own work.	0.0	11.2	2.1	76.5	10.2	**3.856**

Source: Research data (2012)

This study revealed that 88.3% of the respondents that is 9.6% strongly agreeing and 78.7% agreeing that individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not, while 11.7% generally disagreed. This shows, Calculated risks are encouraged and risk takers are recognized at Kenya Power.

In addition 78.6% of the respondents, that is 7.5% strongly agreeing and 71.1% agreeing, that the "doers" are allowed to make decisions on projects without going through elaborate justification and approval procedures, 19.3% disagreed while 2.1% were undecided. Employees are given opportunities to make decisions. Those who are known to be good performers are allowed varying degree of autonomy.

Further, the study findings indicated that 81.3% in which 4.8% strongly agreed and 76.5% agreed that the term "risk taker" is considered a positive attribute for people in my work area, 9.1% disagreed while 9.6% were undecided. This implies that risk taking is encouraged at KPLC

Also, the study findings indicated that 100% of the respondents generally agreed that people are often encouraged to take calculated risks with new ideas (that is 7.5% strongly agreed while 92.5% agreed). Study findings indicate 90.4% of the respondents generally agreed that employees have the freedom to decide what they do on the job (that is 10.2% strongly agreed while 80.2% agreed) whereas 9.1% disagreed. Further, findings revealed that 100% of the respondents, that is, 7.0% strongly agreeing while 93% agreeing that the organization provides the chance to do something that makes use of employees' abilities. Employees are invited through internal communication to give new ideas on various issues concerning the company business. Peer forums within the organization have also become common.

According to study findings, 100% of the respondents that is 10.7% strongly agreeing while 89.3% agreed that the organization provides freedom for employees to use their own judgment. In addition, study findings show that 93.6% of the respondents that is 4.8% strongly agreeing while 88.8% agreed that employees almost always get to decide what they do on their job while 6.4% disagreed. Finally, 86.7% of the respondents that is 10.2% strongly agreeing while 76.5% agreed that employees have much autonomy on their job and are left on their own to do their work, 11.2% disagreed while 2.1% were undecided. This implies there is differing levels of autonomy at Kenya power.

On the extent to which the risk taking and failure tolerance were achieved, survey data shows that 81.8% of respondents reported to a high, 11.2% reported "high" extent whereas only 7% reported "low". It is evident from the findings that risk taking and failure tolerance was achieved to greater extent. This indicates there is prevalent of risk taking and failure tolerance at KPLC. Most employees work in the field which gives them room to make independent decision in their daily cores. Those in say finance and Human Resource may not have much autonomy due to sensitivity of their operations. Risk taking and failure tolerance should be encouraged so that employees become highly creative and innovative in seeking for solutions for enhanced organizational performance. Results are as shown in Figure 4.3.1.
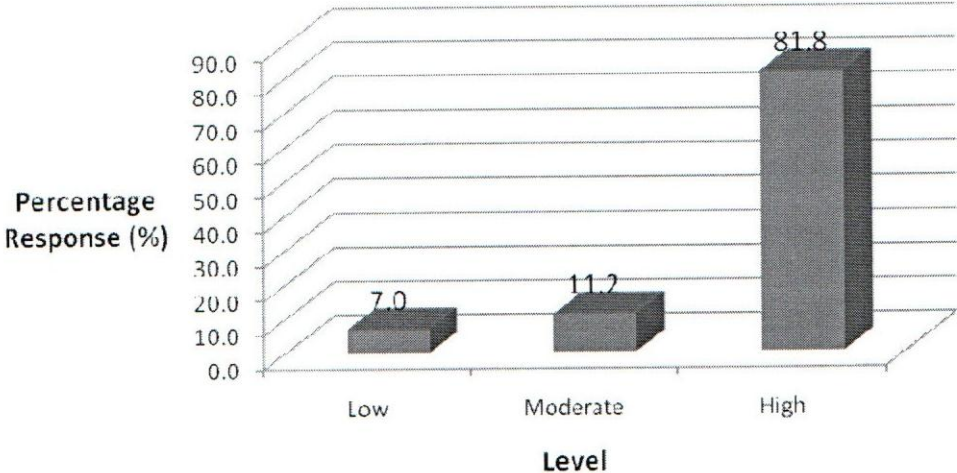
Figure 4.3.1: Overall Risk-Taking and Failure Tolerance Index

Source: Research data, (2012)

4.3.2 Resource Availability

This objective is aimed at determining the extent to which KPLC has developed a resource mobilization framework which can be used to finance the strategic changes in the organization and also whether employees are allowed time to incubate new ideas to prosper the organization. The five point likert scale with levels strongly agree, moderately agree, undecided, moderately disagree and strongly disagree was used. The results are tabulated on Table 4.3.2.

Table 4.3.2: Resource Availability

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	**Disagree**	**Un-decided**	**Agree**	**Strongly Agree**	
1. Money is often available to get new project ideas of the ground.	0.0	16.6	0.0	75.9	7.5	**3.743**
2. I always seem to have plenty of time to get everything done.	0.0	6.4	0.0	86.6	7.0	**3.941**
3. My co-workers and I always find time for long-term problem solving.	0.0	2.1	2.7	88.2	7.0	**4.000**
4. I have just the right amount of time and work load to do everything well.	0.0	0.0	2.7	92.5	4.8	**4.021**
5. There are several options within the organization for individuals to get financial support for the innovative projects and ideas.	0.0	7.0	9.6	78.1	5.3	**3.818**

Source: Research data, (2012)

The study findings revealed that 83.4% of the respondents that is 7.5% strongly agreeing while 75.9% agreed that money is often available to get new project ideas of the ground, while 16.6% disagreed. Furthermore, 93.6% of the respondents that is 7.0% strongly agreeing while 86.6% agreed that there is plenty of time to get everything done. 6.4% of the respondents disagreed. This implies that employees are not overburdened with tasks.

In addition, 95.2% of the respondents that is 7% strongly agreeing and 88.2% agreeing that employees always find time for long-term problem solving, 2.1% disagreed while 2.7% were undecided. Also, study findings show that 97.3% of the respondents that is 4.8% strongly agreeing while 92.5% agreed that employees have just the right amount of time and work load to do everything well. 2.7% of the respondents were undecided. This implies that employees are allocated achievable tasks within a given time.

Finally, study data indicate that 83.4% of the respondents that is 5.3% strongly agreeing while 78.1% agreed that there are several options within the organization for individuals to get financial support for the innovative projects and ideas, 7.0% disagreed while 9.6% were undecided. This implies that framework for financing innovative projects are available.

With regard to extent to which resource availability was achieved at KPLC, survey data shows that 72% of the respondents reported to a high, 23% reported "moderate" and only 8% reported "low". Most employees agreed that resources are available in the organization for strategic projects. They also agreed that there is flexible working time giving them the chance to work in an innovative and creative manner. A committee of brand ambassadors constituted across all job levels and regions with the mandate to evaluate innovative proposal has been put in place. The study findings indicate that resource availability was achieved to a high extent as shown in Figure 4.3.2.
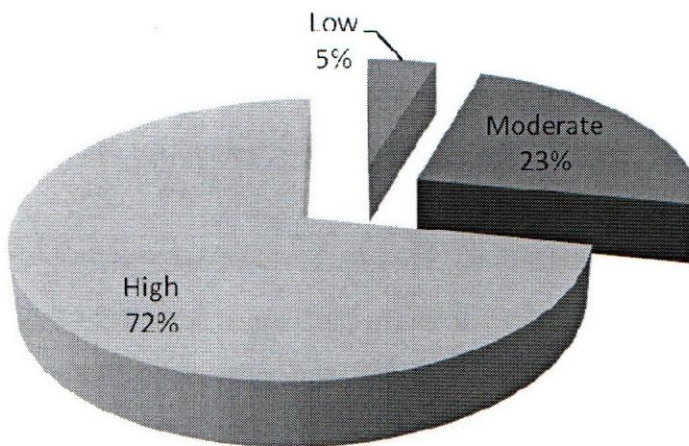
Figure 4.3.2: Overall Resource Availability Index

Source: Research data, (2012)

4.3.3 Supportive Organizational Structure

This objective aimed at assessing the extent to which communication channels exist and whether departmental boundaries exist in the organization. It also measured the level of autonomy. The five point likert scale with strongly agree, agree, undecided, disagree and strongly disagree was used. The results are presented in the Table 4.3.3.

Table 4.3.3: Supportive Organizational Structure

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
1. There is considerable desire among people in the organization for generating new ideas without regard to crossing departmental or functional boundaries.	0.0	10.2	2.1	87.7	0.0	**3.775**
2. People are encouraged to talk to workers in other departments in this organization about ideas for new projects.	0.0	0.0	2.2	91.4	6.4	**4.941**
3. On my job I have no doubt of what is expected of me.	0.0	2.1	0.0	81.9	16.0	**4.118**
4. I feel that I am my own boss and do not have to double-check.	2.1	29.4	0.0	61.5	7.0	**3.417**

Source: Research data, (2012)

In addition, 87.7% of the respondents agreed that there was considerable desire among people in the organization for generating new ideas without regard to crossing departmental or functional boundaries 10.2% disagreed while 2.1% were undecided. Further, the study findings indicated that 97.9% of the respondents that is 6.4% strongly agreeing and 91.4% agreeing that employees are encouraged to talk to colleagues in other departments in this organization about ideas for new projects while only 2.1% were undecided. This implies there is communication channels and thin departmental boundaries at KPLC.

Also, the study findings showed that 97.9% of the respondents that is 16% strongly agreed and 81.9% agreed that they had no doubt of what was expected of them while only 2.1% were in disagreement. Finally, the data reveal that 68.5% of the respondents of which7% strongly agreed and 61.5% agreed that they felt that they were their own boss and did not

have to double-check while only 2.1% were disagreeing. This implies that employees have considerable autonomy and targets are well articulated and understood.

With regard to the extent to which the supportive organizational structure influenced organizational performance, survey data show that 45.5% of respondents reported to moderate, 27.8% reported high and only 26.7% reported low. Respondents agreed that the structure in the organization is supportive of corporate entrepreneurship. This is mainly because the organization has put in place interactive channels within the organization. Employees are occasionally requested to contribute on how best to implement programs. Peer forums where employees discuss and present new ideas which are then reviewed for their strengths and weaknesses. Overall, the study findings indicate that corporate entrepreneurship in terms of supportive organizational structure has been achieved to a high extent as shown in Figure 4.3.3.
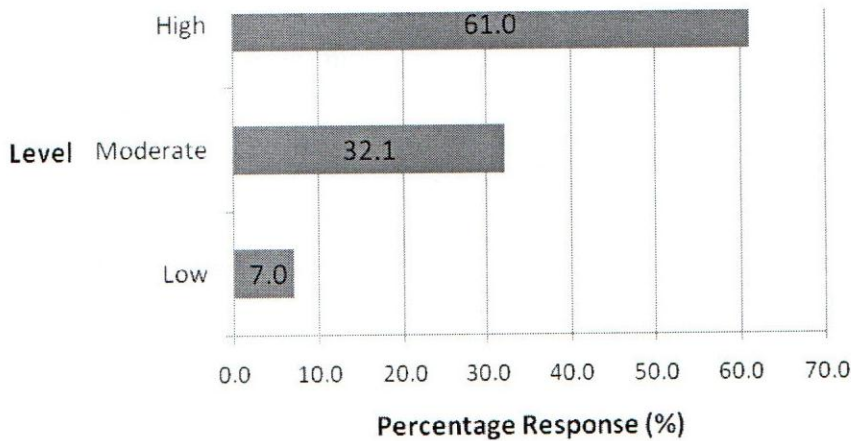
Figure 4.3.3: Overall Supportive Organization Structure Index

Source: Research data, (2012)

4.3.4 Management Support

This objective aimed at determining the extent to which clear goals are set, career planning and progress, performance management systems and general support of new ideas by the management at KPLC. The five point likert scale with levels strongly agree, agree, undecided, disagree and strongly disagree as shown in Table 4.3.4.

Table 4.3.4. Management Support

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
1. There is little uncertainty in my job.	0.0	4.3	0.0	91.4	4.3	**3.957**
2. In my organization, developing one's own ideas is encouraged for the improvement of the organization.	0.0	0.0	0.0	93.6	6.4	**4.064**
3. My manager would tell his or her boss if my work was outstanding	0.0	0.0	0.0	93.6	6.4	**4.068**
4. Upper management is aware and very receptive to my ideas and suggestions.	0.0	0.0	0.0	95.2	4.8	**4.048**
5. This organization provides the chance to be creative and try my own methods of doing the job	0.0	0.0	0.0	97.9	2.1	**4.021**
6. I seldom have to follow the same work methods or steps for doing my major tasks from day to day.	2.2	14.4	0.0	74.3	9.1	**3.738**
7. A worker with a good ideas is often given free time to develop that idea.	0.0	13.9	0.0	81.8	4.3	**3.765**
8. Many top managers have been known for their experience with the innovation process.	0.0	22.5	2.1	68.4	7.0	**3.599**
9. Promotion usually follows	0.0	13.9	4.9	79.1	2.1	**3.695**

the development of new and innovative ideas.						
10. My supervisor will give me special recognition if my work performance is especially good.	0.0	9.6	0.0	87.7	2.7	**3.834**
11. My organization is quick to use improved work methods.	0.0	0.0	3.2	94.7	2.1	**3.989**
12. Senior managers encourage innovators to bend rules and rigid procedures in order to keep promising ideas on track.	0.0	3.2	2.6	87.2	7.0	**3.979**
13. It is basically my own responsibility to decide how my job gets done.	0.0	2.7	0.0	95.2	2.1	**3.968**
14. My organization is quick to use improved work methods that are developed by workers.	0.0	0.0	3.8	94.1	2.1	**3.989**
15. My supervisor will increase my job responsibilities if I am performing well in my job.	0.0	0.0	0.0	97.9	2.1	**4.021**
16. My manager helps me to get my work done by removing obstacles.	0.0	0.0	0.0	95.2	4.8	**4.048**
17. The rewards I receive are dependent upon my work on the job.	0.0	0.0	0.0	97.9	2.1	**4.021**
18. This organization supports many small and experimental projects	0.0	0.0	0.0	93.0	7.0	**4.069**

realizing that some will
undoubtedly fail.

19. My job description clearly specifies the standards of performance on which my job is evaluated.	2.2	0.0	0.0	95.7	2.1	**3.957**
20. In the past three months, I have always followed standard operating procedures or practices to do my major tasks.	2.2	36.9	0.0	58.8	2.1	**3.219**
21. I clearly know what level of work performance is expected from me in terms of amount, quality, and timeliness of output.	5.3	7.0	0.0	83.4	4.3	**3.743**

Source: Research data, (2012)

The study findings revealed that 95.7% of the respondents generally agreed that there is little uncertainty in their job (that is 4.3% strongly agreed while 91.4% agreed) whereas 4.3% generally disagreed. Also, 100% of the respondents generally agreed that in their organization, developing one's own ideas was encouraged for the improvement of the organization (93.6% agreed while 6.4% strongly agreed). This implies tasks are clear and employees are encouraged to develop ideas on how to improve performance.

In addition, 100% of the respondents generally agreed that their manager would tell their boss if their work was outstanding (93.6% agreed while 6.4% strongly agreed). The study findings further revealed that 100% of the respondents agreed that senior management is aware and very receptive to their ideas and suggestions (95.2% agreed while 4.8% strongly agreed). This implies that communication channels are available in the organization.

It is also evident that 100% of the respondents generally agreed that the organization provides the chance to be creative and try their own methods of doing the job (97.9% agreed while 2.1% strongly agreed. Further, 83.5% of the respondents generally agreed that they seldom

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had to follow the same work methods or steps for doing their major tasks from day to day whereas 16.5% generally disagreed. This implies there are no routine in task executions.

Survey data indicate that 86.1% of the respondents generally agreed that employees with good ideas were often given free time to develop that idea (that is 4.3% strongly agreed while 81.8% agreed) while 13.9% generally disagreed. In addition, 75.4% of the respondents generally agreed that many top managers had been known for their experience with the innovation process (that is 7% strongly agreed while 68.4% agreed), 22.5% disagreed whereas 2.1% were undecided. This implies that employees are allowed time to incubate ideas.

Further, study findings indicate that 81.2% of the respondents generally agreed that promotion usually followed the development of new and innovative ideas (that is 2.1% strongly agreed while 79.1% agreed), 13.9% disagreed while 4.9% were undecided. Study findings also revealed that 90.4% of the respondents generally agreed that their supervisors gave them special recognition if their work performance was especially good (that is 2.7% strongly agreed while 87.7% agreed), while 9.6% generally disagreed. This shows that promotions are on merit.

Result of data analysis, further indicated that 96.8% of the respondents generally agreed that their organization was quick to use improved work methods (that is 2.1% strongly agreed while 94.7% agreed), while 3.2% were undecided. Study findings also indicated that 94.2% of the respondents generally agreed that the senior managers encouraged innovators to bend rules and rigid procedures in order to keep promising ideas on track (that is 7% strongly agreed while 87.2% agreed), 3.2% disagreed whereas 2.7% were undecided. This implies that the organization embraces improved work methods.

Further 97.3% of the respondents generally agreed that It was basically their own responsibility to decide how their job gets done (that is 2.1% strongly agreed while 95.2% agreed) while 2.7% disagreed. According to study findings, 96.2% of the respondents generally agreed that their organization was quick to use improved work methods that are developed by workers (that is 2.1% strongly agreed while 94.1% agreed) while 3.2% were undecided. This implies that employees have autonomy in their daily tasks.

In addition, 100% of the respondents generally agreed that their supervisors increased their job responsibilities if they were performing well in their job (that is 2.1% strongly agreed while 97.9% agreed). Also findings show that 100% of the respondents generally agreed that their managers help them to get their work done by removing obstacles (that is 4.8% strongly agreed while 95.2% agreed). Similarly, 100% of the respondents generally agreed that the rewards they received were dependent upon their work on the job (that is 2.1% strongly agreed while 97.9% agreed). Also, 100% of respondents generally agreed that the organization supported many small and experimental projects realizing that some would undoubtedly fail (that is 7% strongly agreed while 93% agreed). This implies that managers support employee's creativity.

Furthermore, study findings revealed that 97.8% of the respondents generally agreed that their job description clearly specified the standards of performance on which their job was evaluated (that is 2.1% strongly agreed while 95.7% agreed) while 2.1% were undecided. In addition, study findings revealed that 60.9% of the respondents generally agreed that in the past three months they have always followed standard operating procedures or practices to do their major tasks (that is 2.1% strongly agreed while 58.8% agreed) while 39.1% generally disagreed. Finally 87.7% of the respondents agreed that they clearly knew what level of work performance was expected from me in terms of amount, quality, and timeliness of output (that is 4.3% strongly agreed while 83.4% agreed) while 12.3% generally disagreed.

On the extent to which the management support influenced corporate entrepreneurship, survey data indicate that 83.5% of the respondents reported "high", 2.1% reported moderate extent while 14.4% reported "low". The management has lately embraced the culture of innovation and creativity. Employees have been given freedom to innovate and be creative. Forums where employees exchange views and experiences have become common in the organization. The organization has adopted performance measures for management employees based on set targets. Promotions are on merit based on performance. These findings generally indicate that management support has been achieved to a great extent as shown in Figure 4.3.4.
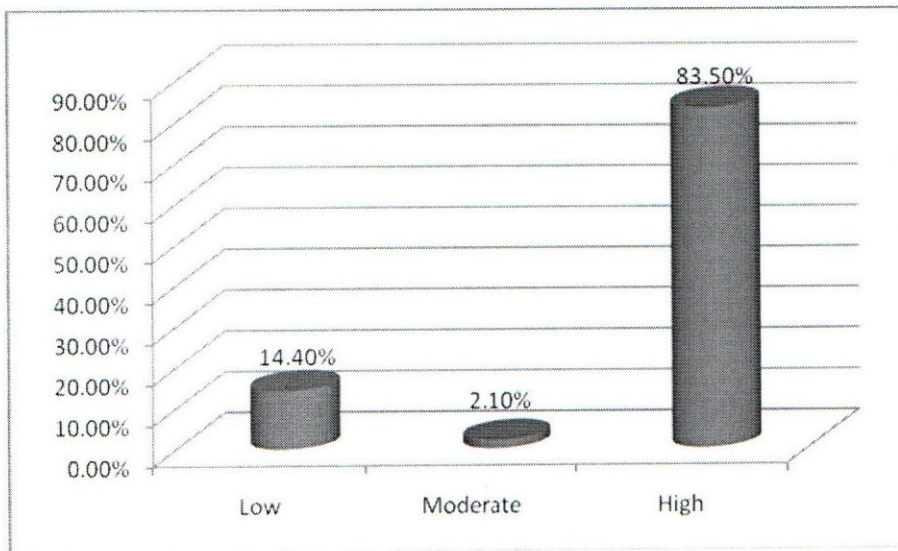
Figure 4.3.4: Overall Management Support Index

Source: Research data, (2012)

4.4 Level of Organizational Performance at Kenya Power and Lighting Company

The study sought to establish the level of organizational performance achieved at KPLC. In this regard, the respondents were asked to indicate the level of organizational performance in terms of: Job satisfaction, perceived organizational contribution, commitment and memory orientation. The results of data analysis and discussions are as follows.

4.4.1 Level of Job Satisfaction at KPLC

This aimed at tracking the job satisfaction level in relation to the four factors of corporate entrepreneurship. The five point likert scale with levels strongly agree, agree, undecided, disagree and strongly disagree was used. The results are tabulated on Table 4.4.1.

Table 4.4.1. Level of Job Satisfaction

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
1. I am satisfied with the autonomy of my job	0.0	0.0	0.0	62.0	38.0	**4.379**
2. All in all, I am satisfied with my job.	0.0	2.1	0.0	53.5	44.4	**4.401**

Source: Research data (2012).

Survey data on job satisfaction shows 100% of respondents that is 62% agreed and 38% strongly agreed that they were satisfied with the autonomy of their job. In addition, 97.9% of the respondents, that is 44.4% strongly agreed while 53.5% agreed that all in all they were satisfied with their job while 2.1% disagreed. This implies that the level of job satisfaction is high in the organization.

According to study findings 64.2% of the respondents reported that the overall job satisfaction at KPLC was generally moderate, 33.7% reported high and only 2.1% reported low. The conducive work environment has led to high job satisfaction in the organization. The many positive development and the technological advancement which allows the organizational members to be updated on various issue has led to high job satisfaction. On the basis of these findings, the overall job satisfaction was generally moderate as shown in Figure 4.4.1.
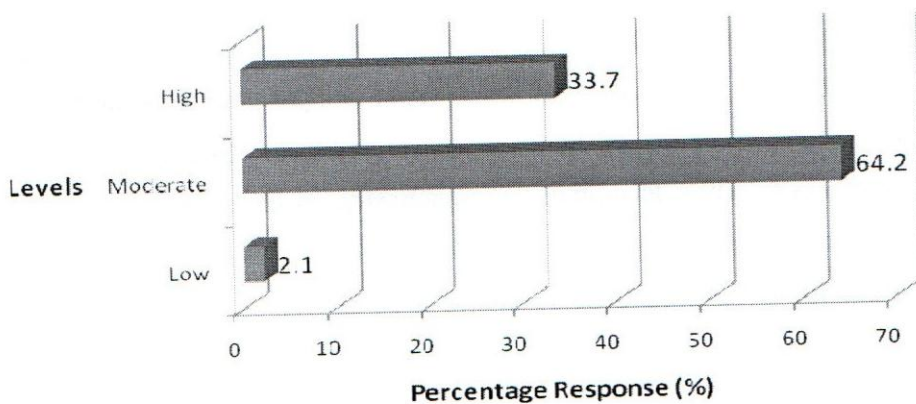
Figure 4.4.1: Overall Job Satisfaction Index

4.4.2. Level of Perceived Organizational Contribution

This aimed at identifying the extent to which employees feel that their contribution is valued by the organization in relation to the four factors of corporate entreprenuership. The five point likert scale with levels strongly agree, moderately agree, undecided, moderately disagree and strongly disagree was used. The results are tabulated on Table 4.4.2.

Table 4.4.2: Level of Perceived Organizational Contribution

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
1. I encourage others to try new and more effective ways of doing their job.	8.0	11.8	0.0	70.6	9.6	**3.620**
2. I make constructive suggestions to improve the overall functioning of my work group.	0.0	0.0	0.0	86.1	13.9	**4.139**
3. I continue to look for new ways to improve the effectiveness of my work.	0.0	0.0	0.0	64.2	35.8	**4.358**

Source: Research data, (2012)

Study findings show that in 80.2% of the respondents that is 9.6% strongly agreed and 70.6% agreed that they encouraged others to try new and more effective ways of doing their job while 19.8% generally disagreed. Further 100% of the respondents generally agreed that they make constructive suggestions to improve the overall functioning of their work group (86.1% agreed and 13.9% strongly agreed). Finally 100% of the respondents agreed that they continue to look for new ways to improve the effectiveness of my work (86.1% agreed and 13.9% strongly agreed). According to study findings 54% of the respondents reported that the overall level of perceived organizational contribution at KPLC was generally high, 31% reported moderate and only 15% reported low. This implies that the employeesOn the basis of these findings, the overall level of perceived organizational contribution at KPLC was generally high as shown in Figure 4.4.2.
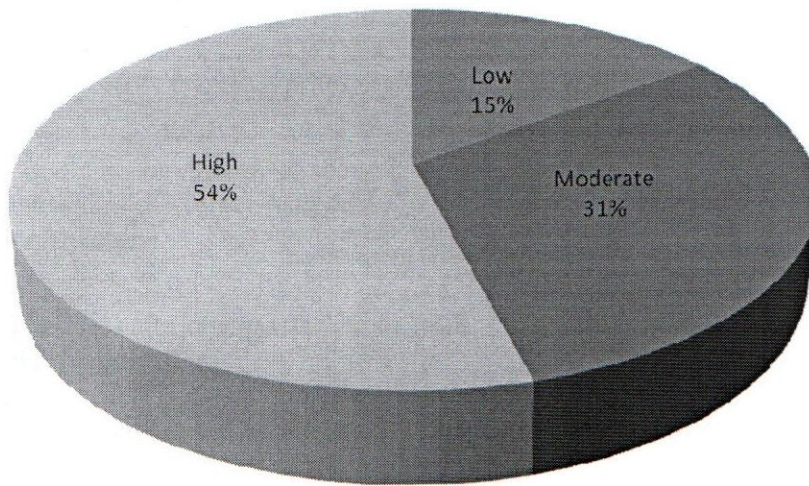
Figure 4.4.2: Overall Perceived Organizational Contribution Index

Source: Research data, (2012)

4.4.3. Level of Commitment

This variable aimed at tracking the level of commitment among the employees in relation to the four specific objectives and also how emotionally employees are attached to the organization.. The five point likert scale with levels strongly agree, moderately agree, undecided, moderately disagree and strongly disagree was used. The results are tabulated on Table 4.4.3.

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Table 4.4.3: Level of Commitment

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
1. I could be very happy to spend the rest of my career with this organization.	0.0	2.1	2.7	57.2	38.0	**4.310**
2. I do feel emotionally attached to this organization	4.8	11.8	0.0	74.3	9.1	**3.711**
3. I think that I could easily become as attached to another organization as I am to KPLC.	4.8	52.9	22.5	19.8	0.0	**2.572**
4. I really feel as if this organization's problems are my own.	0.0	17.6	2.7	77.5	2.1	**3.642**
5. One of the major reasons I continue to work for KPLC is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain	0.0	8.0	2.7	82.9	6.4	**3.877**
6. In general, I like working for KPLC.	0.0	0.0	5.3	75.4	19.3	**4.139**

Source: Research data, (2012)

The Study findings show that 95.2% of the respondents generally agreed that they could be very happy to spend the rest of my career with this organization (that is 38% strongly agreed while 57.2% agreed), 2.1% disagreed while 2.7% were undecided. Further 83.4% of the respondents generally agreed that they do feel emotionally attached to the organization (that is 9.1% strongly agreed while 74.3% agreed) while 16.6% disagreed.

The study also revealed that 57.7% of the respondents generally disagreed that they could easily become as attached to another organization as they are to KPLC, 19.8% agreed while 22.5% were decided. According to study findings, 79.6% of the respondents generally agreed that they felt as if their organization's problems were their own (that is 2.1% strongly agreed while 77.5% agreed), 17.6% disagreed while 2.7% were decided. In addition, 89.3% of the respondents generally agreed that loyalty was important and therefore felt a sense of

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moral obligation to remain at KPLC (that is 6.4% strongly agreed while 82.9% agreed), 8.0% disagreed while 2.7% were decided. Finally, 95.7% of the respondents generally agreed that in general they liked working for KPLC (that is 19.3% strongly agreed while 75.4% agreed) while 5.3% were undecided..

According to study findings, 57% of the respondents reported that the overall level of commitment at KPLC was generally moderate, 41% reported high and only 2% reported low. On the basis of these findings, the overall level of commitment at KPLC was generally moderate as shown in Figure 4.4.3.
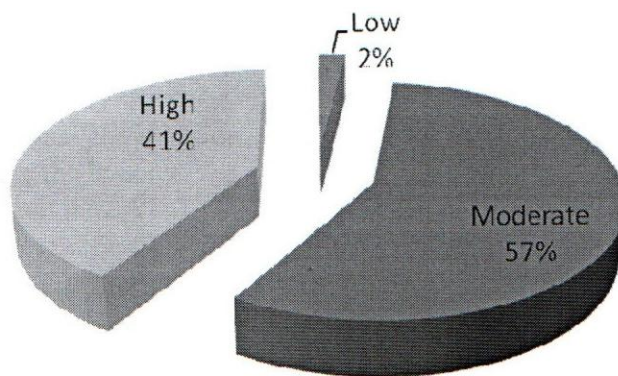
Figure 4.4.3: Overall Commitment Index

Source: Research data, (2012)

4.4.4. Level of Memory Orientation

This variable aimed at assessing the extent to which employees stress communication and sharing of knowledge. The five point likert scale with levels strongly agree, moderately agree, undecided, moderately disagree and strongly disagree was used. The results are tabulated on Table 4.4.4.

Table 4.4.4: Level of Memory Orientation

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
1. Things were better in the days when people stayed with the Organization for most of their careers.	0.0	5.4	21.9	60.4	12.3	**3.797**
2. I was taught to believe in the value of remaining loyal to the organization.	0.0	3.1	7.0	87.2	2.7	**3.893**
3. This organization has a great deal of personal meaning for me.	0.0	2.1	2.7	90.4	4.8	**3.978**
4. Organizational conversation keeps alive the lessons learned from history.	0.0	0.0	0.0	90.4	9.6	**4.096**
5. We audit unsuccessful organizational endeavors and communicate the lessons learned.	0.0	2.6	4.3	84.0	9.1	**3.995**
6. We have specific mechanisms for sharing lessons learned in our organization	0.0	0.0	0.0	84.0	16.0	**4.160**
7. Formal routine exist to uncover faulty assumptions about the organization.	2.7	11.2	2.7	74.3	9.1	**3.759**
8. I enjoy discussing my organization with people outside it.	2.1	0.0	0.0	77.0	20.9	**4.144**

Source: Research data, (2012)

On memory orientation, 72.7% of the respondents generally agreed that things were better in the days when people stayed with the organization for most of their careers (that is 12.3% strongly agreed while 60.4% agreed), 5.3% disagreed while 21.9% were undecided. Furthermore the study findings indicate that 89.9% of the respondents generally agreed that they believed in the value of remaining loyal to the organization (that is 2.7% strongly agreed while 87.2% agreed), 3.2% disagreed whereas 7.0% were undecided. Study findings also

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reveal that 95.2% of the respondents generally agreed that the organization had a great deal of personal meaning for them (that is 4.8% strongly agreed while 90.4% agreed), 2.1% disagreed while 2.7% were undecided.

According to the study findings, 100% of the respondents generally agreed that organizational conversation kept alive the lessons learned from history (that is 9.6% strongly agreed while 90.4% agreed). Furthermore, 93.1% of the respondents generally agreed that they audit unsuccessful organizational endeavors and communicate the lessons learned (that is 9.1% strongly agreed while 84% agreed), 2.7% disagreed while 4.3% were undecided. In addition, 100% of the respondents generally agreed that they had specific mechanisms for sharing lessons learned in our organization (that is 16% strongly agreed while 84% agreed). Study findings also reveal that 83.4% generally agreed that formal routine existed to uncover faulty assumptions about the organization (that is 9.1% strongly agreed while 74.3% agreed) 13.3% disagreed while 2.7% were undecided. Finally, 97.9% of the respondents generally agreed that they enjoyed discussing their organization with people outside it (that is 20.9% strongly agreed while 77% agreed) while 2.1% disagreed.

On the basis of study findings (Figure 4.4.4), 49.7% of the respondents reported that the overall level of memory orientation at KPLC was generally moderate, 29.4% reported low and only 20.9% reported high. On the basis of these findings, the overall level of memory orientation at KPLC was generally moderate.
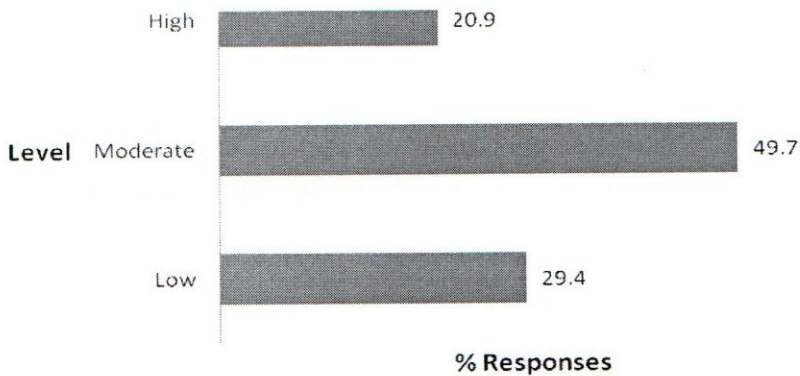
Figure 4.4.4: Overall Memory Orientation Index

4.5 The Effect of Corporate Entrepreneurship on Organizational Performance at Kenya Power and Lighting Company

The general objective of this study sought to determine the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company. To determine the extent to which corporate entrepreneurship influenced organizational performance, the overall index score of various aspects of corporate entrepreneurship (Risk-taking and Tolerance, Resource Availability, Management support and Supportive organizational structure) were correlated with overall index scores of organizational performance (Job satisfaction, Perceived organization contribution, Commitment and Memory Orientation) as shown in Table 4.5.

Table 4.5 Correlation Analysis

Variables	Job satisfaction	perceived organizational contribution	Commitment	Memory orientation	Risk-taking	Resource Availability	Supportive organization structure	Management support
Job satisfaction	1.000	.296(**)	.310(**)	.111	.047	.170(*)	.037	.043
Perceived organizational contribution	.296(**)	1.000	.257(**)	.186(*)	.004	.102	.084	.175(*)
Commitment	.310(**)	.257(**)	1.000	.115	-.105	.142	.010	.007
Memory orientation	.111	-.186(*)	-.115	1.000	.051	.117	.169(*)	.225(**)
Risk-taking	.047	.004	.105	.051	1.000	.642(**)	.426(**)	-.091
Resource Availability	.170(*)	.102	.142	.117	.642(**)	1.000	.424(**)	.102
Supportive organization structure	.037	.084	.010	.169(*)	.426(**)	.424(**)	1.000	.145(*)
Management support	.043	.175(*)	.007	.225(**)	-.091	.102	.145(*)	1.000

Source: Research data, (2012)

Table 4.5 shows the correlation analysis on the relationship between corporate entrepreneurship and organizational performance at KPLC at significance levels $P < 0.05$ and $P < 0.01$, 2-tailed test. The results show that risk-taking and tolerance significantly did not influence commitment (r =0.105 Ns), memory orientation (r = 0.052 Ns), job satisfaction (r =0.047Ns) and perceived organization contribution (r= 0.004Ns).

Study findings further indicated that resource availability significantly influenced job satisfaction (r =0.170*) but not perceived organization contribution (r =0.102 Ns), memory orientation (r =0. 117 Ns) and commitment (r =0. 142 Ns).

Also, correlation analysis indicates that supportive organizational structure significantly influenced memory orientation (r=0.169*) but not job satisfaction (r =0.037 Ns), commitment (r =0.010 Ns) and perceived organization contribution (r = 0.084Ns).

Further, findings indicate that management support only significantly associated to perceived organization contribution (r =0.175*) and memory orientation (r =0.225**) but not job satisfaction (r =0. 043Ns) and commitment (r= 0. 007Ns).

In order to determine the level of influence of the independent variables on the dependent variables, regression analysis was done. To achieve this, the various independent variables such as risk-taking and tolerance to failure, resource availability, supportive organizational structure and management support were regressed on the overall organizational performance (computed job satisfaction, perceived organization contribution, commitment and memory orientation). The results of the regression analysis are presented in Tables 4.6.

Table 4.6. Results of Regression Analysis

Independent Variables	Un-standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	34.965	1.852		18.881	.000
Risk-taking and tolerance Failure	-.031	.165	-.019	-.185	.853
Resource availability	-.149	.189	-.076	-.791	.430
Supportive organizational Structure	.042	.152	.023	.275	.783
Management support	-.098	.183	-.040	-.533	.595

a Dependent Variable: Overall Performance Computed

Source: Research data, (2012)

On the basis of the significant values (Table 4.6), elements of corporate entrepreneurship namely; Management support (P<0.595), Supportive organizational Structure (P<0.783), Risk-taking, Resource availability (P<0. 430) and tolerance to Failure (P<0.853) were found

not to significantly influence organizational performance. Based on the Beta values, the level of influence of the factors on the dependent variable in order of magnitude is as follows: Resource availability (β = 0.076), Management support (β = 0.040), Supportive organizational Structure (β = 0.023) and Risk-taking and tolerance Failure (β = 0.019)

Consequently, regression summary model (Table 4.7) confirms that the observed change in organizational performance attributed to the elements of corporate entrepreneurship (Risk-taking and Tolerance, Resource Availability, Management support and Supportive organizational structure) is 8% (R^2 = 0.091). On the basis of the correlation and regression analyses, corporate entrepreneurship influences performance to some extent at Kenya Power and Lighting Company. Thus the study hypothesis that "corporate entrepreneurship does not significantly influence organizational performance in Kenya Power and Lighting company" is confirmed.

Table 4.7: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
				R Square Change	F Change	Sig. F Change
.091(a)	.008	-.014	2.24367	.008	.378	.824

a Predictors: (Constant), Risk-taking and tolerance to failure, management support, ,
Supportive organizational Structure, Resource availability.
Source: Research data, (2012)

In summary, the correlation analysis results indicate that corporate entrepreneurship positively associated with the organizational performance at KPLC. A closer look at the results of correlation analysis showed that various aspects of corporate entrepreneurship such as risk taking and failure tolerance, resource availability, supportive organizational structure and management support do not significantly influence the organizational performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings and conclusions of the study with a view to highlighting findings that are most relevant to policy decisions at KPLC. This chapter identifies specific policy recommendations that flow from these conclusions, as well as areas in which follow-up research might be most useful to confirm and elaborate this study's findings.

5.1 Summary of Findings

On the basis of the study objectives and data analysis, the results support the following summary findings:

5.1.1 Level of Corporate Entrepreneurship at Kenya Power and Lighting Company

The study investigated the various aspects of corporate entrepreneurship such as risk taking and failure tolerance, resource availability, supportive organizational structure and management support. The study findings revealed that risk-taking and failure tolerance was achieved to a high extent, resource availability was achieved to a high extent, corporate entrepreneurship in terms of supportive organizational structure was achieved to a high extent while management support was highly achieved.

5.1.2 Level of Organizational Performance at Kenya Power and Lighting Company

The study sought to establish the level of organizational performance achieved. In this regard, the respondents were asked to indicate the level of organizational performance in terms of: Job satisfaction, perceived organizational contribution, commitment and memory orientation. The study findings revealed that the overall job satisfaction was moderate, the overall level of perceived organizational contribution was moderate, the overall level of commitment was generally moderate and the overall level of memory orientation was generally moderate.

5.1.3 The Effect of Corporate Entrepreneurship on Organizational Performance at Kenya Power and Lighting Company

The general objective of this study sought to determine the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company. The study findings revealed that corporate entrepreneurship through risk-taking and failure tolerance, resource availability, management support and supportive organizational structure were positively associated with the organizational performance. In addition, resource availability, supportive organizational structure and management support did not significantly influence the organizational performance. Also, the independent variables namely: management support, resource availability, supportive organization structure and risk-taking account for 8% (R^2 = 091) of the overall change observed in the various aspects of organizational performance. the study hypothesis that" corporate entrepreneurship does not significantly influence organizational performance at Kenya Power and Lighting company" is confirmed.

5.2 Conclusions

The purpose of this study was to establish the effect of corporate entrepreneurship on performance at KPLC. The distribution of scores was skewed to the right, favoring the high end of the scale. Perceptions regarding management support, resource availability, supportive organizational structure, and risk taking and failure tolerance were all positively related to organizational performance.

The results indicate management support of entrepreneurship in the sampled respondents positively influences performance. This supports studies by Damanpour (1991) and Pearce et al. (1997), who argued that greater levels of performance in organizations result from the willingness of management to facilitate and support innovations. Positive link between resource availability and performance exists. This result supports previous studies that suggest a positive relationship between resource availability and performance among organization members (Damanpour, 1991; Slevin and Covin, 1997).

A positive relationship between a supportive organizational structure and performance was discovered. This result is in line with findings by Zahra (1991) and Covin and Slevin (1991), whose studies found positive relationships between components of formal organization structures and performance in organizations. Finally, results suggest that sampled respondents

perceived an environment that advocates risk taking and is tolerant of failure. This supports similar findings by Jennings and Lumpkin (1989), who found entrepreneurial organizations encourage calculated risk taking and do not penalize team members when risky projects fail.

A positive link was found between corporate entrepreneurship and job satisfaction, which is consistent with the extant literature (e.g. Hindle and Cutting, 2002; Cromie, 1998; Powell and Bimmerle, 1980). There was also a positive correlation between a corporate entrepreneurship and perceived organizational contribution, providing support for Shepherd and Krueger's (2002) suggestion that entrepreneurship is positively related to members' perceptions that their actions are desirable to the organization. The data showed a positive relationship between a corporate entrepreneurship and facets of organizational commitment, indicating participants feel greater emotional attachment to their organizations and a greater desire to remain with their organizations. This supports the findings of Mullins et al. (2001), who found an entrepreneurial climate led to increased levels of organizational commitment among employees. Results also indicate that memory orientation is positively affected by corporate entrepreneurship. As noted in Chapter II, memory orientation is one of the key dimensions of organizational learning, which refers to organization-wide communication and knowledge sharing (Hult et al., 2000). The results support Slater and Narver's (1995) suggestion that entrepreneurship is a key piece of a foundation for organizational learning. Finally, the results showed positive relationship between corporate entrepreneurship in KPLC and organizational performance. This result is perhaps the best indicator of the potential benefits associated with corporate entrepreneurship in KPLC. Ultimately, Managers want to maximize the performance of their organizations. The results of this study suggest that managers who instill an entrepreneurial orientation in their organizations may realize significant increases in levels of organizational performance. The regression analysis conducted to test the influence of corporate entrepreneurship on the outcomes, in this study revealed positive influence on: job satisfaction, perceived org. contribution, commitment, memory orientation. That is, corporate entrepreneurship acts as a mechanism to influence job satisfaction, perceived organization contribution, affective commitment and memory orientation.

5.3 Recommendations

5.3.1 Recommendation for Practitioners

It is evident from the study findings that corporate entrepreneurship especially risk taking and failure tolerance, resource availability and management support moderately influenced organizational performance at KPLC. This study recommends the need by the management to strengthen these particular aspects as well as other elements of corporate entrepreneurship at KPLC.

The study also concluded that the overall organizational performance in terms of job satisfaction, perceived organizational contribution, commitment and memory orientation was generally moderate. Consequently, this study recommends effective application of corporate entrepreneurship in order to achieve measurable improvement in the organizational performance.

5.3.2 Recommendation for Future Research

Future research should improve on the limitations of this research effort. First, future researchers should attempt to replicate this study and address the sampling bias and test the validity of the scales. The sample could be improved by identifying and enlisting the participation of a greater number and include all regions of KPLC. It would be interesting to compare the results of different departments and regions. Finally, the validity issue can be improved by generating a large enough sample size that confirmatory factor analyses can be conducted.

Another recommendation for future research is to consider alternative entrepreneurial factors and outcomes in KPLC. While this study presented and tested a conceptual model of entrepreneurship in KPLC, the researcher does not claim the model to be comprehensive. While the extant literature indicates the antecedents of entrepreneurial behavior in organizations converge around four distinct factors, additional significant factors may exist. This study examined four subjective outcomes, but many more exist. Future research may also include objective outcome measures at KPLC. As observed by Schollhammer (1982) there is a need for longitudinal studies to analyze the effectiveness of various internal entrepreneurial strategies. The changes in internal entrepreneurship relative to operating

conditions, and the impact of specific external environmental developments and the internal organizational context on various entrepreneurship strategies, have to be looked at carefully.

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APPENDIX I
QUESTIONNAIRE

THE EFFECT OF CORPORATE ENTERPRENEURSHIP ON ORGANIZATIONAL PERFORMANCE AT KENYA POWER AND LIGHTING COMPANY

This questionnaire is designed to obtain information on the effect of corporate entrepreneurship on organizational performance at Kenya Power and Lighting Company. Respondents' participation will be of great value to the study. All responses will be treated with utmost confidentiality and used only for study purposes. Please ensure that you respond to all the questions. Any additional information may be recorded in a separate paper, if the spaces provided are not adequate. The researcher will be available through tel: 0722332251 to offer necessary assistance as the situation may demand.

SECTION I

This section contains items regarding your personal characteristics. These items are very important for statistical purposes. Respond to each item by ticking your answer in the text box provided.

1. Please circle your age bracket, gender and highest level of education completed in the table below.

18 – 24Yrs	01	Male	01	University	01
25 - 34 Yrs	02	Female	02	Diploma	02
35 – 44 Yrs	03			Certificate	03
				Secondary	04
45 – 55Yrs	04			Others (Specify)	
55+ Yrs	05				

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2. Please circle your job level, division and Region in the table below.

JOB LEVEL		DIVISION		REGION	
		Distribution [Dist]	01	Mt. Keny	01
Union [U]	01	Commercial Services [Comm. Serv]	02	Nairobi r	02
Standard [S]	02	Energy Transmission [ET]	03	West reg	03
Senior Standard	03	Stores, Transport and Supplies [ST&S]	04		
Executive [E]	04	Information Technology & Telecom [IT&T]	05		
		Planning Research & Performance Monitoring [PR	06		
		Finance [F]	07		
		Human Resource & Administration [HR&A]	08		
		Company Secretary [Co.Sec] (Legal/ Insurance/ Shares/ Property / Records)	09		
		Managing Director / CEO's office [MD/CEO] (Internal Audit, Communication & Security)	10		

3. How many years have you worked for KPLC?

Less than one yea	01
1 – 5 years	02
6 – 10 years	03
11 – 15 years	04
16 +	05

SECTION II

PERCEPTIONS OF THE ORGANIZATION

We would like to understand how innovative you feel your organization and its leadership is. The following questions will help us do that. For each statement, please fill in the space for the number that indicates the extent to which you agree the statement is true.

1	2	3	4	5	II
Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Don't Know

	1	2	3	4	5	II
Risk taking and failure tolerance						
1.Individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not.						
2. The "doers" are allowed to make decisions on projects without going through elaborate justification and approval procedures.						
3. The term "risk taker" is considered a positive attribute for people in my work area.						
4. People are often encouraged to take calculated risks with new ideas at KPLC.						
5. I have the freedom to decide what I do on my job.						
6. This organization provides the chance to do something that makes use of my abilities.						
7. This organization provides freedom to use my own judgment.						
8. I almost always get to decide what I do on my job.						
9. I have much autonomy on my job and am left on my own to do my own work.						
Resource availability						

10. Money is often available to get new project ideas of the ground.						
11. I always seem to have plenty of time to get everything done.						
12. My co-workers and I always find time for long-term problem solving.						
13. I have just the right amount of time and work load to do everything well.						
14. There are several options within the organization for individuals to get financial support for the innovative projects and ideas.						
Supportive Organizational Structure						
15. There is considerable desire among people in the organization for generating new ideas without regard to crossing departmental or functional boundaries.						
16. People are encouraged to talk to workers in other departments in this organization about ideas for new projects.						
17. On my job I have no doubt of what is expected of me.						
18. I feel that I am my own boss and do not have to double-check.						
Management Support						
19. There is little uncertainty in my job.						
20. In my organization, developing one's own ideas is encouraged for the improvement of the organization.						
21. My manager would tell his or her boss if my work was outstanding						
22. Upper management is aware and very receptive to my ideas and suggestions.						
23. This organization provides the chance to be						

creative and try my own methods of doing the job						
24. I seldom have to follow the same work methods or steps for Doing my major tasks from day to day.						
25. A worker with a good ideas is often given free time to develop that idea.						
26. Many top managers have been known for their experience with the innovation process.						
27. Promotion usually follows the development of new and innovative ideas.						
28. My supervisor will give me special recognition if my work performance is especially good.						
29. My organization is quick to use improved work methods.						
30. Senior managers encourage innovators to bend rules and rigid procedures in order to keep promising ideas on track.						
31. It is basically my own responsibility to decide how my job gets done.						
32. My organization is quick to use improved work methods that are developed by workers.						
33. My supervisor will increase my job responsibilities if I am performing well in my job.						
34. My manager helps me to get my work done by removing obstacles.						
35. The rewards I receive are dependent upon my work on the job.						
36. This organization supports many small and experimental projects realizing that some will undoubtedly fail.						

37. My job description clearly specifies the standards of performance on which my job is evaluated.						
38. In the past three months, I have always followed standard operating procedures or practices to do my major tasks.						
39. I clearly know what level of work performance is expected from me in terms of amount, quality, and timeliness of output.						

SECTION III

GENERAL PERCEPTIONS ON OUTCOMES

We would like to understand how you feel about your job and organization, in general (where organization is defined as KPLC). The following questions will help us do that. For each statement, please fill in the space for the number that indicates the extent to which you agree the statement is true.

1	2	3	4	5	II
Strongly Don't Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly	Agree know

	1	2	3	4	5	II
Job satisfaction						
1. I am satisfied with the autonomy of my job						
2. All in all, I am satisfied with my job.						
Perceived Organizational Contribution						
3. I encourage others to try new and more effective ways of doing their job.						
4. I make constructive suggestions to improve the overall functioning of my work group.						
5. I continue to look for new ways to improve the effectiveness of my work.						
Commitment						

6. I could be very happy to spend the rest of my career with this organization.						
7. I do feel emotionally attached to this organization						
8. I think that I could easily become as attached to another organization as I am to KPLC.						
9. I really feel as if this organization's problems are my own.						
10. One of the major reasons I continue to work for KPLC is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain						
11. In general, I like working for KPLC.						
Memory Orientation						
12. Things were better in the days when people stayed with the Organization for most of their careers.						
13. I was taught to believe in the value of remaining loyal to the organization.						
14. This organization has a great deal of personal meaning for me.						
15. Organizational conversation keeps alive the lessons learned from history.						
16. We audit unsuccessful organizational endeavors and communicate the lessons learned.						
17. We have specific mechanisms for sharing lessons learned in our organization						
18. Formal routine exist to uncover faulty assumptions about the organization.						
19. I enjoy discussing my organization with people outside it.						

Thank you for participating