# PERCEIVED EFFECT OF ORGANIZATIONAL CULTURE ON CORPORATE ENTREPRENEURSHIP IN TARDA

BY

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# **DECLARATION**

I, the undersigned, declare that this research project is my original work and that it has
not been submitted for any course qualification in this or any other university or
institution for academic credit.
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This research project has been submitted for examination with my approval as
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My special gratitude goes to God Almighty for giving me the strength and wisdom to pursue this course.

I must humbly admit that this research would not have been completed without the ultimate encouragement and support of my family throughout the course of my studies. Special thanks go to my husband Brian Ngothi, Susan Ngothi, Teresia Naimodu and Barbara Wamae.

I am very grateful to my Supervisor, Dr. Florence Muindi for her guidance and commitment throughout the entire project. I appreciate the skills and knowledge and that all my other lecturers imparted in me through coursework.

God bless you all.

# **DEDICATION**

I heart fully dedicate this research project first and foremost to the Almighty God for giving me the strength, health and resources to come this far. Secondly I dedicate it to my loving family for their unending love, support and care.

# ABBREVIATIONS AND ACRONYMS

**TARDA** Tana and Athi Rivers Development Authority

SMEs Small Medium Enterprises

**R&D** Research and Development

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#### **ABSTRACT**

Corporate entrepreneurship has been recognized by academics and practitioners as a vital tool in increasing the performance levels of organization. Organizations that were traditionally not recognized as being entrepreneurial are now required to lean towards corporate entrepreneurship for survival hence creation of an adequate organizational culture is a vital element of corporate entrepreneurship. Since formation of TARDA, Government policies have changed and institutions with duplicated mandates have been formed. TARDA also lost its rich asset base to other Government corporations prompting the organization to explore other sources of funding including internal revenue generation and resource mobilization as funding from the exchequer is never enough. Given the vast resources that the organization has, experience in design and implementation, extensive resource data and multidisciplinary workforce, the Authority engage in corporate entrepreneurship to ensure its goals are achieved. However, as highlighted in TARDA strategic plan (2014-19) the Authority has some challenges such as; - poor communication, disengaged workforce, diminutive staff training and incoherent job descriptions. The overall objective of this study was to assess the perceived effect of organizational culture on corporate entrepreneurship in TARDA. The research design was descriptive research design. The target population was 368 employees in TARDA composing of top management, middle management and staffs. The sample size was 184 employees in TARDA composing of top management, middle management and staffs who were selected using stratified sampling. Primary data was acquired by use of selfadministered questionnaires. To improve accuracy, raw data obtained was scrutinized, coded, organized and edited. For analysis, statistical package for social sciences was used to produce graphs and tables presented in descriptive statistics such as frequencies, percentages, means and standard deviation. Inferential statistics was used for both correlation and regression analysis. The study found that involvement, consistency, adaptability, mission and vision have a positive and significant relationship with corporate entrepreneurship of TARDA. The study concluded that most problems in an organization often arise because most employees do not have the skills necessary to do the job. Encouraging cooperation across different parts of the organization helps in improving corporate entrepreneurship. The study recommends that the management of organization should ensure their employees are highly involved with their work. Managers should also involve employees in decision making. In addition, every relevant information in an organization should be shared widely so that everyone can get the information he or she needs when it's needed. Cooperation across different parts of the organization should also be highly encouraged. This will help in improving corporate entrepreneurship in an organization.

#### **CHAPTER ONE: INTRODUCTION**

#### 1.1 Background of the study

The environment under which business operates is not static. The fast pace of globalization and technology have changed the business world and Kenya as any other country in the world is also affected by these changes. Antoncic and Zorn (2004) acknowledged that corporate entrepreneurship is vital for development and performance of organizations and the economy of a country. Corporate entrepreneurship is an organizational practice that improves organization performance and survival (Covin & Slevin, 1989; Lumpkin & Dess, 1996). Zahra and Covin (1995) considered corporate entrepreneurship to be significant for organizational sustainability as it brings development and higher firm performance. It also embodies a central source of strategic behavior (Burgelman, 1983).

For corporate entrepreneurship to flourish there is need of an organizational environment that embraces innovations. Corporate entrepreneurship is affected by some factors recognized as antecedents of entrepreneurial activities (Kuratko et al., 2005). Organization culture is one of the antecedents. The culture of an organization must be aligned with the strategy and external environment of the organization (Daft & Marcic, 2009). Covin and Slevin (1991) named organizational structure, leadership, and organizational culture as key drivers of entrepreneurial activities and conclude that entrepreneurial posture of an organization is strongly affected by its culture. Further, Aloulou and Fayolle (2005) considered organizational culture, the environment and management practices as the central factor influencing entrepreneurship. Therefore, corporate entrepreneurship embraces employee involvement; determinations to build practices within the organization that are entrepreneurial (Mokaya, 2013).

This study was informed by Schein's Theory of Organizational Culture and Schumpeter Theory of Entrepreneurship. Schein (1984) founded organizational culture on three distinctive levels of culture; basic underlying assumptions, espoused values, and artifacts. On the other hand, Schumpeter (1942) suggested two major forms of innovative activities; innovative activities described by creative destruction and innovative activities described by creative accumulation.

With the advent of the new constitution and consequently a devolved system of government, new development in technologies and access to information and changes in social-economic dynamics, it is increasingly becoming obvious for all public bodies to find ways to adapt so as to develop and enable them deliver their mandate. The approaches and procedures that worked in the past will not be in effective in the future because the internal and external environments are drastically changing and the exchequer is not enough to fully support TARDA in undertaking its projects. Under such scenario, there's need of aggressive corporate entrepreneurship in TARDA to adjust to the drastically changing environment.

# 1.1.1 Concept of Perception

Daniel (2011) defined perception as a process where sensory information is identified, organized and interpreted to represent and understand the environment. Establishing and understanding sensory impressions to give meaning to the environment is defined as perception (Robbins et al, 2004). Perception depends on the nervous system functions, but most effortless because this process happens outside unaware (Richard, 1989).

Perception is a psychological constructs associated with recognition, action and attitude or emotion (Greenwald & Banaji, 1995). These constructs to some large extent influence employee's behavior depending on their work environment. For instance, individuals make decisions and understand the environment through their perception. This means that perception can be shaped by the prevailing work environment, for instance, learning, experience and expectations (Bernstein, 2010).

## 1.1.2 Organizational Culture

Schein (1992) defined organizational culture as forms of basic assumptions within an organization which are shaped and learned by individuals. When the individuals adapt and incorporate the external and internal environment they form these assumptions. These assumptions transform into values and beliefs within an individual becoming their deepest level of culture. Hofstede (1997), define organizational culture as a way that distinguishes members of one organization, their work and the outside world from other organizations. He identified different organizational culture dimensions that include; power distance, uncertainty avoidance, individualism or collectivism, masculinity or femininity and long or short time orientation.

William et al (1993) argues that all employers are inimitable and comparisons between organizations are found among the parts, but each organization has a distinctive culture. New employees bring with them various values and beliefs which they have been taught or have acquired over time and they will need to learn the new organization's way of doing things in order to succeed. Organizational culture is thus the setting under which employees work, comprising of atmosphere, behaviors, beliefs and relationships. If an organization has optimistic culture, the personnel will enjoy working, feel motivated and by extension do a superb job (Dlabay et al, 2009).

Organizational culture has been shown by some researchers that it is vital in enhancing innovation within organizations. An example is; strong cultures have higher new product development and growth assumption in their standard prices projects future growth, while cultures that are balanced helps organizations to be innovative (Ashley & Bryan, 2009). Innovation has also been found to be brought about by traits of involvement and adaptability (Kotter & Heskett, 1992; Sorenson, 2002).

# 1.1.3 Corporate Entrepreneurship

The concept of corporate entrepreneurship has been well-defined by many scholars and researchers. For instance, Sharma and Chrisman (1999) defined it as an effort by employees in established organizations to form new businesses, bring about strategic renewal or innovate within the current organization structure. Morris and Kuratko (2002) defined it as entrepreneurial activities in established organizations. Hornsby et al., (2002) defined it as entrepreneurial determination that requires organizational authorizations and resource commitments for carrying out product, process and organizational innovations. Corporate entrepreneurship is the activities in an organization that leads it to new heights (Lumpkin & Dess 1996). Zahra (1991) described corporate entrepreneurship as practices inside established organizations that lead to formation of new businesses or that bring strategic renewal. Corporate entrepreneurship embodies entrepreneurial efforts such as product innovation, process innovation, and organizational innovation.

MacMillan et al., (1986) described the activities of corporate entrepreneurship as either internal or external. The internal activities involve; - products, processes and organizational innovations at several levels in the organization. The external activities involve; - mergers, joint ventures, or acquisitions. These activities can be formal or informal creating new business through innovations (Zahra, 1991). Covin and Slevin, (1991) identified three dimensions of corporate entrepreneurship and they include; - innovation, risk taking, and pro-activeness. Kuratko et al., (1990) added business venturing to the dimensions while and Sathe (1989) added organizational renewal. Zahra (1996) suggested that corporate entrepreneurship is involves innovations, corporate venturing and strategic renewal.

## 1.1.4 Tana and Athi Rivers Development Authority (TARDA)

TARDA is a government entity established by CAP 443 act of parliament in 1974, to undertake integrated planning, development, coordination and management of the resources within the Tana and Athi River basins. It projects traverses 19 Counties of Nyeri, Kirinyaga, Nyandarua, Murang'a, Embu, Tharaka Nithi, Meru, Isiolo, Kiambu, Nairobi, Machakos, Kajiado, Makueni, Kitui, Garissa, Taita Taveta, Tana River, Lamu and Kilifi. TARDA just like all other government corporation operates within the general supervision of Ministry of Devolution and Planning, governed by a Board of Directors headed by a Chairman who oversees the day-to-day operations and Managing Director who reports to the Board. TARDA have a total of 368 employees.

TARDA has a 5 year Strategy Plan (2014-2019) who's Vision is; to be world class Regional Development Authority. TARDA mission; to undertake integrated regional resources planning promote and undertake development, for sustainable socio-economic well-being of the people. The Mandate of TARDA is to enhance equitable socio-economic development through sustainable utilization and management of resources in the Tana and Athi Rivers Basins. Its core values include; Integrity and Participatory approach, Equitability and community inclusivity in benefits sharing, Partnerships, Pro-activeness, Integrity and Professionalism, Environmental protection and sustainability and Innovativeness and Technology transfer (TARDA strategic plan, 2014).

#### 1.2 Research Problem

Corporate entrepreneurship has been recognized by academics and practitioners as a vital tool in increasing the performance levels of organization (Hornsbury et al., 2009). Organizations that were traditionally not recognized as being entrepreneurial are now required to lean towards corporate entrepreneurship for survival hence creation of an adequate organizational culture is a vital element of corporate entrepreneurship.

Since formation of TARDA, Government policies have changed and institutions with duplicated mandates have been formed. TARDA also lost its rich asset base to other Government corporations prompting exploration of other sources of funding including internal revenue generation and resource mobilization as funding from the exchequer is never enough. Given the vast resources, experience in design and implementation, extensive resource data and multi-disciplinary workforce, the Authority engage in corporate entrepreneurship to achieve its goals. However, as highlighted in TARDA strategic plan (2014-19) the Authority has some challenges such as; - poor

communication, disengaged workforce, diminutive staff training and incoherent job descriptions.

There are a number of studies done previously on organizational culture effect on corporate entrepreneurship. Yildiz (2014) studied organizational culture effect on corporate entrepreneurship in an automotive company in Turkey. The findings were that power distance has a positive effect on innovativeness whereas there is a negative effect of masculinity on new business venturing. Sepehri and Khayati (2013) studied the relationship of organizational culture and corporate entrepreneurship in food and beverage industries in Iran. The study found out that organizational culture and corporate entrepreneurship have a significant relationship.

Okibo and Shikanda (2011) conducted a study on organizational culture effect on innovation in Postal Corporation of Kenya and found out that innovation is affected by organizational culture, leadership, skills, rewards and recognition. Mokaya (2012) studied the theoretical perspectives, approaches and outcomes of corporate entrepreneurship and organizational performance. He concluded that corporate entrepreneurship requires organizational culture so as to work effectively as a function of performance.

Among the studies reviewed, there is no known study that has examined the effect of organization culture on corporate entrepreneurship in TARDA hence creating a context framework limitation. This study was seeking to fill the existing research gap by conducting a study to determine what is the perceived effect of organizational culture on corporate entrepreneurship in TARDA?

#### 1.3 Research Objective

The overall objective of this study was to assess the perceived effect of organizational culture on corporate entrepreneurship in TARDA.

# 1.4 Value of the study

To TARDA management, the study would help in understanding how to utilize organizational culture through corporate entrepreneurship opportunities available to increase organization growth. It will also help in investing in adequate resources on the various dimensions of organizational culture and corporate entrepreneurship and match them with their respective organizational goals.

To the government, the study would help in appreciating the role organizational culture plays in influencing corporate entrepreneurship so as to realize Vision 2030 strategic goals and promote economic growth through state corporations. The findings may be used by other Regional Development Authorities in nurturing the positive organizational culture. The conclusions will assist, the Board of directors who are TARDA policy makers, in formulating policies that will achieve growth.

To researchers and academicians, the study would yield exhaustive reference information, build adequate literature on the subject and also stimulate further interest and research. The study will be significant to Schumpeter Theory of Entrepreneurship which defines entrepreneurship as a function of entrepreneurs to modify production design by invention or reorganization. The findings will change paradigms on organizational culture perceptions on corporate entrepreneurship in public sector.

#### **CHAPTER TWO: LITERATURE REVIEW**

#### 2.1 Introduction

This chapter reviewed the theoretical discussions related to effect of organizational culture on corporate entrepreneurship and what other researchers have done. The areas covered were the theoretical foundation. The empirical literature on the relationship between organizational culture and corporate entrepreneurship was also discussed.

# 2.2 Theoretical Foundations of the Study

Theories guide in determining what to measure, and the statistical relationships to look for (Defee, Randal, Thomasd & Williams, 2010). Schein's Theory of Organizational Culture and Schumpeter Theory of Entrepreneurship guided this study. These theories explain the concept of organization culture and the concept of corporate entrepreneurship.

# 2.2.1 Schein's Theory of Organizational Culture

This theory was founded by Schein (1984). Edgar Schein discusses direct and indirect mechanisms within organizations that influence organizational culture. The Direct mechanisms have direct influence and include exemplary behavior, status and opinions of the staffs. Indirect mechanisms influence indirectly and include mission and vision of the organization, rules and regulations, corporate identity, rituals and design. Edgar Schein (2004) identifies three distinct levels of organizational culture namely artifacts, espoused values and basic underlying assumptions.

Artifacts are the external level of the organizational culture. They include any element which is tangible, easily seen and felt and visible to all stakeholders. These elements are products, physical environment, language, technology, processes, structures, published values, rituals and ceremonies, etc. On the other hand, espoused beliefs and values guide the organization in communicating strategies, objectives and philosophies and how they are made public. The underlying assumptions are deeply-embedded, unconscious, taken for granted assumptions shared with others. It's the base level of organizational culture. These assumptions are hard to recognize internally (Schein, 1992).

According to Omukaga (2016) the three cultures models can be exemplified as an onion based on different layers with the outer layer being artifacts and symbols. Surrounding in the core of the onion are the assumptions which states how things are done based on the people who belong to the organization and is a result of previous experience and perception. And values are around the core and considered the most important. The theory is relevant in explaining the effect organizational culture.

#### 2.2.2 Schumpeter Theory of Entrepreneurship

McMullen and Shepher (2006) frequently called Schumpeter "the father of entrepreneurship" since he presented the entrepreneur with a view of economic disruption and new opportunities. Schumpeter suggested two forms of innovative activities in, "The Theory of Economic Development" innovative activities characterized by creative destruction (Schumpeter, 1934) and "Capitalism, Socialism and Democracy" innovative activities characterized by creative accumulation (Schumpeter, 1942).

Schumpeter (1934) defined entrepreneurship as a form of innovative activity where new firms are launched, because of new entrepreneurs with creative ideas, products or processes. Established organizations are then challenged by these new entrepreneurs who disrupt current ways of production, organization and distribution (Malerba & Orsenigo, 1995). This innovation pattern also refers to creative destruction since innovations are being introduced by firms which were not innovating before (Breschi et al., 2000). Schumpeter (1934) defined entrepreneurship as a function of entrepreneurs to invent or reorganizing an industry through opening up new markets, new processes and new sources of supply.

Schumpeter (1942) discusses importance of Industrial R&D for technological innovation in large firms. R&D in these firms has vast capacities of researchers, technicians and engineers hence specific technological areas have stored capabilities. These organizations then create barriers of entry to new entrepreneurs (Malerba & Orsenigo, 1995). This innovative pattern is also referred to as creative accumulation since the firms that were innovating prior are introducing innovations (Breschi et al., 2000). Schumpeter (1942) introduced the definition of entrepreneurial function as it does not need to be in a single physical person since individuals combined can be built into a corporate personality.

# 2.3 Dimensions of Organizational Culture

Many scholars and researchers have explored the different dimensions organizational culture with their findings either supporting or contradicting the exiting literature. Hofstede (2005) segregated five measurements of culture as: - power distance, uncertainty avoidance, masculinity or femininity, individualism or collectivism and long or short-term orientation.

Handy (1976) popularized Harrison (1972) contribution on organizational culture by linking it to organizational structure. He recognized four essential measurements of culture as power, role, task and people. Power culture organizations are massively autocratic, where top executive exercise power control in all organizational processes. Role culture organizations are highly controlled with everyone familiar with their job descriptions and power is determined by a person's position in the organization. Task culture organizations form specific teams to solve a particular problem and dissolved once the problem is solved and influence often shifts depending on the status of the problem. In person culture organizations specific individuals believe themselves to be unique and superior to the organization.

Cameron and Quinn (2005) used Organizational Culture Assessment Instrument (OCAI) tool to diagnose culture. They discovered four dimensions; clan, hierarchy, adhocracy and market. In clan culture, the organization emphasizes on agreement and uniformity of goals and values. Hierarchy cultures are highly controlled, fairly rigid and have fixed organizational structures. Adhocracy cultures are easily adaptable to the changing environment. Market culture is characterized by competition.

Denison (2000) described organizational culture in four dimensions in his model. They include; involvement, consistency, adaptability and mission which are further divided into three sub-dimensions. The Denison organizational culture model was appropriate for this study since the traits of involvement and adaptability have been found bring about innovations in organizations. Denison and Mishra (1995) focus on organizational practices and generalizations about culture on the level of values and is rooted in research on how culture influences organizational performance.

#### 2.3.1 Involvement

Denison (1990) portrays involvement to entail building of human capability, ownership and a sense of accountability and consequently meet the firm's objectives and dedication. It is further subdivided into three facets which include; empowerment, team orientation and capability development. Empowerment enables individuals to own and be responsible towards the organization by allowing them to have power and creativity over their work (Denison, 1996).

Driskell & Salas, (1992) described team orientation as individuals' preferring to work in group settings for task accomplishment. A team-orientated culture encourages teamwork to achieve common goals which employees feel mutually responsible. Capability development involves development of skills and knowledge and being able to apply those skills in different contexts. Organizations that capitalize in employees' capacity development develop a competitive advantage (Denison and Mishra, 1995).

# 2.3.2 Consistency

Consistency illustrates how organizations have coherently developed strong and cohesive cultures. Consistency is seen to develop a mindset of legitimate structures that make an inward plan of organization and gives a central source of coordination and control. Firms tend to propel in a way that they have strong social orders that are dependable and steady; and particularly organized (Davenport, 1993; Saffold, 1988).

Lussier (2010) stated that organizations with clear core values that are strongly held and widely shared to the extent of similar behavior have strong cultures. An organization is said to be consistent on the basis of firmness resulting from a universal approach and compliance. Consistency is further subdivided into three facets which are; core values, agreement, and coordination and integration.

# 2.3.3 Adaptability

Adaptability demonstrates a firm's flexibility to external environment indicated by customers and the market. It clarifies organization's capacity to obtain, decrypt and interpret signals from its surroundings into interior authoritative and behavioral changes which will advance its survival, development and improvement (Denison, 1990). Ironically, it is difficult to change well incorporated organizations because of the adaptability levels gained after in the long run (Kanter, 1993).

Versatile organizations gain from failures and are driven by clients and also have the ability and knowledge of making change (Nadler, 1998; Senge, 1990). Adaptability is responding to the environment and adapting necessary processes and behaviours. The three facets of this dimension are customer focus, organizational learning and change creation. Change creation in organizations enables them to adapt, react quickly and anticipate future changes while customer focus organizations enable them to understand, react and anticipate future needs of their customers (Denison, 1995). Organization learning enables addition of creative new ideas into the organization

#### 2.3.4 Mission and Vision

Mission provides an organizational path towards achievement of its goals which are generally described as its vision. The Mission and vision shows the organization has a clear sense of purpose and direction. It helps in providing a systematically defined strategic and action plan and also identifying if the organization is in danger of shortsightedness.

The organization mission should be long-term since if changes are made, the organization will have to change its strategy, structure and culture accordingly. It gives a distinctive route and objectives that serve to identify a suitable strategy for an organization and its individuals (Denison, 1990). The three facets of this dimension are: Vision, Strategic direction, goals and objectives.

#### 2.4 Dimensions of Corporate Entrepreneurship

Corporate entrepreneurship has been defined by several scholars in the 20<sup>th</sup> century. Guth and Ginsberg (1990) categorized it in two; new business venturing as "creation of new business within existing organizations" and strategic renewal as "organizational change through renewal of the main idea". Zahra (1996) categorized it into innovation "a company's commitment to creating and introducing new products", venturing a "firm entry to new businesses by expanding operations in existing or new markets", and strategic renewal as "revitalizing the company's operations by changing the scope of its business, its competitive approach, or both".

Covin and Miles (1999) categorized it into four. One, sustained regeneration as "continuous introduction of new products and new market entrance". Second, organizational rejuvenation is "changing internal processes, structures, or capabilities". Third, strategic renewal which is "the redefinition of a company's relationship with its markets and industry competitors by fundamentally changing the way it competes". Fourth, domain redefinition is "creation of a new product-market arena that has not been recognized or actively exploited by other companies". Similarly, Sharma and Chrisman (1999) categorized it into three, corporate venturing, strategic renewal, and innovation. Overall, scholars have mainly focused on three main components of corporate entrepreneurship; innovation, new business venturing, and strategic renewal.

#### 2.4.1 Innovativeness

Zahra (2004) defines innovativeness as technological emphasis on new development of products, processes and organizational systems. This dimension provides novelty on processes and trends departing from the normal practices and red tape of the organization. It provides fresh breath to current practice with new ideas, brought by technology related creativity.

Dess and Lumpkin (2005) pointed out that organizations inclinations to innovativeness provide newness and originality in their practices. Although innovativeness is not depended on technology, the impact with which the later has influenced organizations is enormous. It brings faster and effective ways in the firm.

## 2.4.2 New Business Venturing

New business venturing is creation of new businesses within existing organizations through development of new products and/or new markets (Zahra, 1991). Hisrich and Peters (1984) described it as the development of independent or semi-independent units. Therefore new business venturing can be referred as the diversification of products regardless of the level of independence which may be within the current product line or completely new product lines.

Morris et al. (2010) differentiates new business venturing into internal and external business venturing. Internal business venturing restricts new businesses to organization internal boundaries while external business venturing refers to new business leverage by external partners through joint ventures, acquisitions and venture capital. New business venturing provides an organization with a beneficial way to survive with the ever changing business environment as it allows firms to renew capabilities, recognize new opportunities, and generate new sources of revenue.

# 2.4.3 Strategic Renewal

Zahra (1993) described strategic renewal as reorganization, redefining business concepts and introducing system-wide changes for innovation. System overhaul has strategic implications to an organization and major catalyst to organizational change which leads to strategy review and renewal. Strategic renewal is organization change through reintroduction of the main idea (Guth & Ginsberg 1990).

Vesper (1984) viewed corporate entrepreneurship to include a new strategic direction. Organizations can constantly reintroduce new business line or review current businesses so as to realize adaptability and flexibility. Strategic renewal deals with a change in the organization business strategy but inside its business setting. It is initiated by top management by selecting and endorsing different creativities in the organization to stimulate changes.

# 2.5 Organizational Culture and Corporate Entrepreneurship

Okibo and Shikanda (2011) conducted a study on the effects of organization culture on innovation in Postal Corporation of Kenya. The key findings were that innovation is affected by organizational culture, leadership, skills, rewards and recognition. Organizations should first grow to be acquainted with its innovation strategies then incorporate the necessary. Seifari and Amoozadeh (2014) studied the relationship of organizational culture and corporate entrepreneurship with effectiveness in sport organizations in Golestan Province. The results revealed that there is significant positive relationship between organizational culture and corporate entrepreneurship. Creating an enabling environment aims at increasing the innovation capabilities of employees leading to new organizational innovations that increase organizational success.

Paunovic and Dima (2014) conducted a study on organizational culture and corporate entrepreneurship. The study concluded that organizational culture is an important element of corporate entrepreneurship. Innovation-based proactive strategies are increasingly being implemented leading to different forms of corporate entrepreneurship. For sustainable business development, corporate entrepreneurship has become necessary prerequisite.

Yildiz (2014) conducted a survey study on organizational culture effect on corporate entrepreneurship in automotive sector in Turkey. The analyzed results showed a positive effect of power distance on innovativeness. In addition negative effects were shown of masculinity on new business venturing. Therefore, the study presented evidence of an existing association between organization culture and corporate entrepreneurship.

Zare and Shakeri (2011) conducted a study in Yazd province on the effect of organizational culture on corporate entrepreneurship in small and medium enterprises. The study concluded that coordination factor has negative effect and tendency to change has the most effect on innovation and organizational self-renewal. Developing a culture to be open to changes is the best solution in order to succeed in the small and medium enterprises. Sepehri and Khayati (2013) conducted a study focusing on food and beverage industries in Iran on the relationship between organizational culture and corporate entrepreneurship. The results showed that there is a significant and positive association between organizational culture characteristics i.e. direction, identity, reward system, individual initiative, risk tolerance, integration, conflict tolerance, and communication patterns and corporate entrepreneurship in food and beverage industries.

#### **CHAPTER THREE: RESEARCH METHODOLOGY**

#### 3.1 Introduction

The research methodology employed in this study was addressed in this chapter. It discusses aspects such as research design, population, sample size and sampling techniques, data collection instrument. It also describes how the data was analyzed, presented and displayed.

## 3.2 Research Design

The research design was descriptive research design. It describes certain events, approximate the percentage of people behaving in a certain way and make precise forecasts (Saunders, Lewis & Thornhill, 2009). This research design was appropriate since an authentic and accurate description was required.

Descriptive research design allows gathering of information, summarizing, presenting and construe it for explanation (Orodho 2002). The researcher was able to create statistical and descriptive data which was used in correlating the variables. This design produced statistical information about aspects of the effect of organizational culture on corporate entrepreneurship in TARDA.

# 3.3 Target Population

Kombo and Tromp (2006) define a population as samples from a group of individuals, objects or items taken for measurement. There are approximately 368 employees in TARDA. Therefore the target population was 368 employees in TARDA composing of top management, middle management and staffs.

**Table 3.1: Target Population** 

	Population	Percentage
Top Management	13	3.54%
Middle Management	25	6.79%
Staffs	330	89.67%
Total	368	100%

Source HR department (2017)

# 3.4 Sample Size and Sampling Technique

Kothari (2004) describes a sample as a subset of a population. According to Saunders *et al.*, 2007 a sample is part of the entire population selected for study to obtain information on the whole, set of human respondents from the population.

According to Mugenda and Mugenda (2003) and Kothari (2004), 10% of a large population is adequate for the study. This study used 50% of the population to be the sample. Therefore the sample size was 184 employees in TARDA composing of top management, middle management and staffs who were selected using stratified sampling.

**Table 3.2: Sample Design** 

	Population	Percentage	Sample
Top Management	13	3.54%	6
Middle Management	25	6.79%	13
Staffs	330	89.67%	165
Total	368	100%	184

Source: Field Data (2017)

#### 3.5 Data Collection

Self-administered questionnaires were used to collect the primary data. The questionnaire was made up of both open ended and closed ended questions covering issues on organization culture and corporate entrepreneurship. The questionnaires were administered using a drop and pick later method. The respondents of the study were six (6) top managers who were chief managers, thirteen (13) middle managers who were head of departments and one hundred and sixty five (165) staffs of the organization. They were drawn from various departments of the organization.

The questionnaire was divided into three parts: first part was the demographic characteristics of respondents, the second part was organizational culture adopted from Denison culture survey model and the third part was corporate entrepreneurship. Part two and three used Likert scale where 1 was strongly disagree, 2 was disagree, 3 was neutral, 4 was agree and 5 was strongly agree.

# 3.6 Data Analysis

To improve accuracy, raw data obtained was scrutinized, coded, organized and edited. For analysis, SPSS was used to produce graphs and tables presented in descriptive statistics such as frequencies, percentages, means and standard deviation. Inferential statistics was used for both correlation and regression analysis.

For specific variables to predict a given research gap, simple regression model was used. The model was:

$$Y = \beta_0 + \beta x$$

$$Y = \beta_0 + \beta_1 X 1 + \beta_2 X 2 + \beta_3 X 3 + \beta_4 X 4$$

Depending on the number of variables in the study

 $\beta_0$ = constant /intercept point of the regression line and the y- axis

 $\beta$ = the slope / gradient of the regression line

X1= Involvement

X2= Consistent

X3 = Mission

X4= Adaptability

Y= Corporate Entrepreneurship

To test the hypotheses the researcher will use the regression model, ANOVA test to find out whether the model is statistically significant, at p value of 0.1, F test to find out the usefulness of the regression model., T test to find out whether the explanatory variable are significant and R square to find the variability of the variables .The researcher will obtain a measure of the degree of association that will exist between both independent and dependent variables and construct a model that will obtain the measurement with the help of the regression analysis.

# CHAPTER FOUR: ANALYSIS, RESULTS AND DISCUSSIONS

#### 4.0 Introduction

This chapter comprised of data analysis, findings of the study and interpretation. The results were presented in diagrams and tables. The analyzed data was arranged under themes that reflected the research objectives.

#### **4.1 Response Rate**

A total of 149 out of 184 questionnaires were correctly completed and returned by TARDA employees presenting a successful response rate of 80.97% as shown in table 4.1 below. Mugenda & Mugenda (2003) and Kothari (2004) stated that a response rate of above 50% is adequate for a descriptive study. Babbie (2004) also affirmed that return rates of above 50% are acceptable to analyze and publish, 60% is good and 70% is very good. Based on these statements, 80.97% response rate is very good for the study.

Table 4.1: Response rate

Response	Frequency	Percent
Returned	149	80.97%
Unreturned	35	19.03%
Total	184	100%

Source: Field Data (2017)

# 4.2 Demographic Characteristics

This section described the basic characteristics such as gender of the respondents, age of the respondents, level of education, years worked and position held in TARDA.

# 4.2.1 Gender of the Respondent

The respondents were asked to specify their gender so as to understand the gender trend and patterns in terms of culture in the organization. The findings presented in figure 4.1 below revealed that majority of the respondents were male (75%) while only (25%) of the respondent indicated they were female. The respondents were made up of more male than female implying that the study was influenced by gender imbalance.

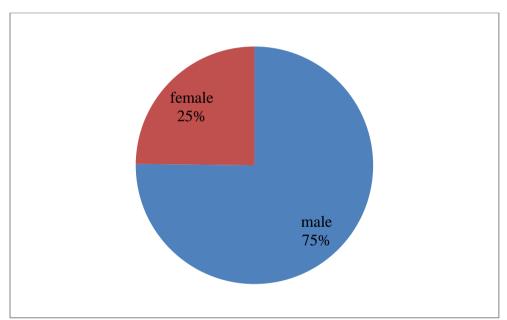


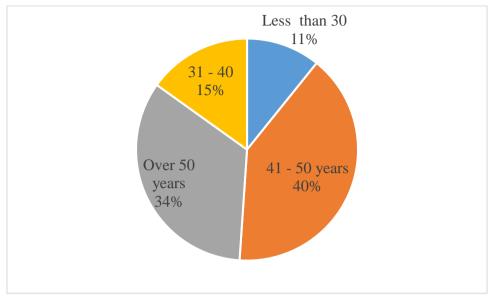
Figure 4.1: Gender of the Respondents

Source: Field Data (2017)

#### 4.2.2 Age of the Respondents

The respondents were asked to indicate their age. The result in the figure 4.2 revealed that majority of the respondent (40%) indicated that their age was between 41 to 50 years. The result also revealed that (34%) of the respondent indicated that their age was above 50 years. The result also revealed that (15%) of the respondent indicated that their age was between 31 to 40 years while only (11%) of the respondent indicated that their age was below 30 years. The researcher considered this important because employees perceive corporate entrepreneurship differently based on their age.

Figure 4.2: Age of the Respondents

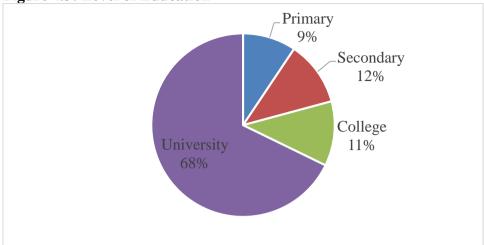


Source: Field data (2017)

### 4.2.3 Level of Education

The respondents were asked to indicate their education level. Figure 4.3 revealed that most respondents (68%) indicated that their education level was up to university level. The result also revealed that (12%) of the respondent indicated that their education level was up to secondary. The result also revealed that only (11%) of the respondent indicated that their education level was up to college level while only (9%) of the respondents who indicated that their education level was up to primary level. This implies that most employees in TARDA are educated and thus have the knowledge to understand the concept of this study.





Source: Field data (2017)

#### 4.2.4 Years Worked in TARDA

The respondents were asked to indicate the duration they have worked in TARDA. Figure 4.4 revealed that most respondents (73%) specified that they had worked for duration of above 10 years. The result also revealed that (12%) of the respondents had worked for a duration of 6 - 10 years, (9%) for a duration of less than one year while only (6%) for a duration of 2 - 5 years. This implies that most employees in TARDA had worked for a long duration and therefore had the accurate information for the study.

6 to 10 years 2- 5 years less than one year 9%

above 10 yrs 73%

Figure 4.4: Years Worked in TARDA

Source: Field data (2017)

#### 4.2.5 Position Held

The respondents were asked to indicate the position held as perceptions depends on level of management of the individual. Figure 4.5 revealed that most respondents (64%) specified that they worked as staffs. The result also revealed that (21%) of the respondent indicated that they worked at middle level management while only (15%) of the respondent indicated to have worked at the top management. It was important to know the respondents' positions so as to have an overall representation of all levels in TARDA to ensure the results be applicable to all the employees.

Top
—management
15%

middle level
management
21%

Figure 4.5: Position held

Source: Field data (2017)

#### 4.3 Organizational Culture

The study was interested in assessing the perceived effect of organizational culture on corporate entrepreneurship. To achieve this objective, it was first important to get the perceived organizational culture in TARDA which was studied through four dimensions namely: Involvement, Consistency, Adaptability and Mission and Vision. The respondents were asked to indicate the level of agreement using likert scale 1-5, Where <1.4 is strongly disagree, 1.5 - 2.4 is Disagree, 2.5 - 3.4 is Neutral, 3.5 - 4.4 is Agree and > 4.5 is strongly agree. A standard variation of > 1.5 implies no consensus in the responses while <1 shows consensus in responses.

# 4.3.1 Employee Involvement

**Table 4.2: Employee involvement** 

Statement	Mean	Std. Dev.
Most employees are highly involved with their	3.61	1.00
jobs		
There is wide information sharing.	3.59	1.15
The employees participate in determining their	3.52	1.04
performance levels.		
All employees believe they have a positive impact	3.30	1.17
in the organization		
Managers involve employees in decision making	3.61	1.17
Employee work is organized in a way that the	3.34	1.21
relationship between the job and the goals of the		
organization can be seen by all employees.		
Teamwork across the departments is actively	3.31	1.08
encouraged.		
Employees value team work to individualism	3.72	1.19
The organization continuously invests in employee	3.37	1.23
skills.		
There is delegation in the authority so that	3.52	1.11
employees act on their own		
Problems often arise when employees don't have	3.79	0.83
the necessary skills to do the job		
Average	3.52	1.11

Source: Field Data (2017)

From table 4.2 above, majority of the respondents agreed that Problems often arise when employees don't have the necessary skills to do the job as shown by a mean score of 3.79. Similarly, the respondents had the same opinion on employees value team work to individualism with a mean score of 3.72, they are highly involved with their work with a mean score of 3.61, the managers involve them in decision making with a mean score of 3.61, they can get the information when needed with a mean score of 3.59, they participate in determining their performance with a mean score 3.52 and the employees can act on their own with a mean score 3.52. On the other hand, respondents were neutral about all employees believe they have a positive impact in the organization with a mean score 3.30, employee work is organized in a way that the relationship between the job and the goals of the organization can be seen by all employees with a mean score 3.34, Teamwork across the departments is actively encouraged 3.31 and the organization continuously invest in employee skills with a mean score 3.37.

From the above analysis, it can be concluded that most employees agreed that they do not have the necessary skill to do the job hence problems often arise, they value team work, they are highly involved with work, them managers involve them, there is easy access of information, and they participate in determining their performance and act on their own. However employees were not sure of whether they have a positive impact in the organization, if there is a relationship between their job and goals of the organization, if cooperation is actively encourage and if there is continuous investment in employee skills.

# 4.3.2 Consistency

**Table 4.3: Consistency** 

Statement	Mean	Std. Dev
The set of values that governs the organization is clear	3.59	1.23
and consistent.		
When one ignore the core values they will get in trouble.	3.46	1.21
An ethical code that governs our behavior is in place.	3.57	1.18
The style to doing business is constant and foreseeable.	3.54	1.15
It is easy to organize projects across the different	3.33	1.27
departments of the organization		
The goals across the different levels is well aligned.	3.50	1.17
Employees in the different departments share a common	3.62	1.26
viewpoint.		
The way things are done in the organization is clear	3.46	1.25
Agreement can be easily reached, even on difficult	3.27	1.37
subjects.		
Employees often have trouble reaching agreement on key	3.24	1.37
issues		
Employees try to reach solutions that benefit both parties	3.48	1.15
when disagreements happen		
There's a strong culture	3.08	1.08
Average	3.43	1.22

Source: Field Data (2017)

From table 4.3 above, most respondents agreed that the set of values is clear and consistent as shown by a mean score of 3.59. Similarly, they agreed that there's an ethical code with a mean score of 3.57, the style to doing business is constant and foreseeable with a mean score of 3.54, the goals are well aligned with a mean score of 3.50 and employees share a common viewpoint with a mean score of 3.62. On the other hand, the respondents were neutral on; when one ignore core values they get in trouble with a mean score of 3.46, it is easy to organize projects with a mean score of 3.33, the way things are done is clear with a mean score of 3.46, agreement can be easily reached, even on difficult subjects with a mean score of 3.27, employees have problems reaching agreement on key issues with a mean score of 3.24, employees try to reach solutions that benefit both parties when disagreements happen with a mean score of 3.48 and there is a strong culture with a mean score of 3.08.

From the analysis, it can be concluded that most respondents agreed that the set of values is clear and consistent and that the style to doing business is constant and foreseeable though the culture is not strong. They were however not sure if one will get in trouble by ignoring core values, organizing projects is easy, it is easy to reach an agreement and employees have trouble reaching agreement on key issues. They were also not sure if employees try to reach solutions that benefit both parties when disagreements happen.

# 4.3.3 Adaptability

Table 4.4: Adaptability

Statement	Mean	Std. Dev
It is very flexible and easy to change the way things are	3.51	1.1
done.		
To create change, there is teamwork between the different	3.63	1.02
departments.		
Change is usually meet with resistance	4.22	1.23
Changes are made from customer commends and	3.30	1.03
recommendations		
Customer wants and needs are understood by all employees	3.41	1.3
The organization views employees capabilities as an	3.80	1.24
important basis of competitive advantage		
The organization frequently implements new and improved	3.41	1.06
ways.		
Failure is viewed as an opening for learning and	4.10	1.21
improvement		
Learning is an important objective in the organization day-	3.42	1.11
to –day work		
Innovation and risk taking is encouraged	4.21	1.12
Creativity among is employees promoted	3.41	1.12
Average	3.36	1.14

Source: Field Data (2017)

The results in table 4.4 shows that majority of the respondents agreed that organization change is usually met with resistance as shown by a mean score of 4.22. Similarly, the respondents agreed that failure is viewed as an opening for learning and improvement with a mean score of 4.10 and innovation and risk taking is encouraged with a mean score of 4.21. On the other hand, the respondents were neutral on, it is very flexible and easy to change the way things are done with a mean score of 3.51, to create change, there is teamwork between the different departments with a mean score of 3.63, customers commends and recommendations often lead to changes with a mean score of 3.30, customer wants and needs are understood by all employees with a mean score of 3.41, the organization continually adopts new and improved ways with a mean score of 3.41, learning is an important objective with a mean score of 3.42 and creativity among is employees promoted with a mean score of 3.41. From the analysis above it can be concluded employees are not sure if the organization is flexible and easy to change with the environment.

# 4.3.4 Organization mission and vision

Table 4.5: Mission and Vision and Corporate Entrepreneurship

Statement	Mean	Std. Dev
The Organization strategy direction is clear to me.	3.90	1.10
The organization has a long-term purpose and direction.	3.71	1.14
Our work is given meaning and direction by a clear mission.	3.37	1.19
The organization strategy is clear.	3.83	0.97
Strategic direction in the organization indistinct.	3.31	1.17
There is a common disagreement about goals.	3.54	1.17
The goals set by the management are ambitious but realistic.	3.78	0.80
Managers ensures clear instructions are availed to staff	3.50	1.24
concerning their tasks and duties.		
Organization progress is continuously tracked against its	3.42	1.12
goals.		
Employees understand what to do so as to succeed in the long	3.47	1.07
run.		
There is shared vision of what the organization will be like in	3.20	1.23
the future.		
Our vision generates enthusiasm and motivation to the	3.48	1.22
employees.		
I understand how my role relates to the mission and vision of	3.50	1.21
the organization.		
Average	3.54	1.13

Source: Field Data (2017)

Table 4.5 shows that most respondents agreed that the organization strategy direction is clear to them supported by a mean score of 3.90. Similarly, they also agreed that the organization strategy for the future is clear with a mean score of 3.83, the organization has a long-term purpose and direction with a mean score of 3.71, there is a widespread disagreement about goals with a mean score of 3.54, the goals set by the management are ambitious but realistic with a mean score of 3.78, managers ensure clear instructions availed to staff with a with a mean score of 3.50 and they understand how their role relates to the mission and vision of the organization with a mean score of 3.50. On the other hand, the respondents were neutral on; strategic direction in TARDA is unclear with a mean score of 3.31, their work is given meaning and direction by a clear mission with a mean score of 3.37, organization progress is continuously tracked against its goals with a mean score of 3.42, they understand what to do to succeed with a mean score of 3.47, there is shared vision of the organization with a mean score of 3.20 and the vision generates enthusiasm and motivation to the employees with a mean score of 3.48.

From the above analysis, it can be concluded that majority of the employees agreed that the organization strategy direction is clear to them, the organization has a long-term purpose and direction. The employees were not sure if progress is continuously tracked against its goals, they understand what to do to succeed and if the vision shared.

## 4.3.5 Corporate Entrepreneurship

The study also wanted to find out the dimension of corporate entrepreneurship in TARDA. It was studied through three dimensions of corporate entrepreneurship namely: innovativeness, new business venturing and strategic renewal.

#### **Innovativeness**

**Table 4.6: Innovativeness** 

Statements	Mean	Std. Dev
Our organization pursues new ways to do things	3.38	1.24
Our organization is creative in operation methods	3.28	1.21
Our organization invests in developing proprietary Technologies	3.3	1.28
Organization emphasizes on developing new products	3.38	1.18

Source: Field Data (2017)

Table 4.6 show that most respondents were not sure if the organization seeks out new ways to do things and if emphasize is put on developing new products. This is supported by mean score of 3.38. Similarly, the respondents were also not sure if the organization is creative in its methods of operation with a mean of 3.28 and if the organization invests in developing proprietary technologies with a mean of 3.3. From the analysis, it can be concluded that the employees are not sure if the organization is innovative.

#### **New Business Venturing**

**Table 4.7: New Business Venturing** 

Statements	Mean	Std. Dev
Our organization broadens business lines in current industries	3.45	1.16
Our organization pursue new business in relation to the core	3.65	1.08
business		
Our organization stimulate new demand for existing product	3.4	1.16
through aggressive marketing		
Our organization find new market for products	3.58	1.13

Source: Field Data (2017)

Table 4.7 above shows that most respondents were in agreement that the organization pursues new business in relation to the core business. This is supported by a mean score of 3.65. Similarly, they also agreed that the organization finds new niches for products in current market as shown by a mean score of 3.58. On the other hand, the respondents were not sure if the organization broadens business lines in current industries with a mean of 3.45 and if the organization stimulates new demand for existing product with a mean of 3.4. It can therefore be concluded that the respondents were in agreement that the organization pursue new businesses.

### **Strategic Renewal**

**Table 4.8: Strategic Renewal** 

Statements	Mean	Std. Dev
Our organization adopts flexible organization structures to	3.36	1.23
increase innovation		
The employees are trained in creativity techniques	3.36	1.22
Employees are encouraged to be creative and innovative	3.57	1.19
The organization establishes procedures to examine new	3.38	1.17
innovations		

Source: Field Data (2017)

Table 4.8 shows that most respondents were in agreement that they are encouraged to be creative and innovative supported by a mean of 3.57. On the other hand, the respondents were not sure if the organization adopts flexible organization structures to increase innovation with a mean of 3.36, if they are trained in creativity techniques with a mean of 3.36 and if the organization establishes procedures to examine new innovations with a mean of 3.38. Therefore, from the analysis it can be concluded that the respondents were not sure if the organization engages in strategic renewal.

## 4.5 Correlation Analysis

**Table 4.9: Correlational Analysis** 

		Corporate Entrepreneurship
Corporate Entrepreneurship	Pearson Correlation	1.000
	Sig. (2-tailed)	
Involvement	Pearson Correlation	.339**
	Sig. (2-tailed)	0.000
Consistency	Pearson Correlation	.721**
	Sig. (2-tailed)	0.000
Adaptability	Pearson Correlation	.302**
	Sig. (2-tailed)	0.000
Mission and Vision	Pearson Correlation	.354**
	Sig. (2-tailed)	0.000

Source: Field data (2017)

The correlation analysis established the effect of organizational culture on corporate entrepreneurship. Table 4.9 above revealed that involvement and corporate entrepreneurship are positively and significant related as shown by the correlation coefficient of (r=0.339, p=0.000). It furthers showed that consistency and corporate entrepreneurship are positively and significant related as shown by the correlation coefficient of (r=0.721, p=0.000). In addition, it revealed that adaptability and corporate entrepreneurship are positively and significant related as shown by the correlation coefficient of (r=0.302, p=0.000). Lastly, the results revealed that mission and vision and corporate entrepreneurship are positively and significant related as shown by the correlation coefficient of (r=0.354, p=0.000). This therefore implied that organization culture was proportionately related to corporate entrepreneurship at TARDA.

## 4.6 Regression Analysis

**Table 4.10: Model Fitness** 

Indicator	Coefficient
R	0.779
R Square	0.606
Adjusted R Square	0.595
Std. Error of the Estimate	0.187321

Source: Field data (2017)

Table 4.10 above revealed that involvement, consistent, adaptability and mission and vision were satisfactory variables in corporate entrepreneurship as shown by the R square of 60.6%. This meant involvement, consistent, adaptability and mission vision explained 60.6% of the variations in the dependent variable which was corporate entrepreneurship TARDA. The results further meant that the model applied to link the relationship of the variables was satisfactory.

In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. A model is significant in explaining the relationship if the significance number found is less than 0.05 otherwise the model would be regarded as non-significant.

**Table 4.11: Analysis of Variance** 

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	7.784	4	1.946	55.458	0.000
Residual	5.053	144	0.035		
Total	12.837	148			

Source: Field Data (2017)

Table 4.11 above provided analysis of the variance results (ANOVA). The results indicated that the overall model was statistically significant. Further, the results implied that the independent variables are good predictors of corporate entrepreneurship. This was supported by an F statistic of 55.458 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

**Table 4.12: Regression of Coefficients** 

	В	Std. Error	t	Sig.
(Constant)	0.045	0.277	0.162	0.871
Involvement	0.216	0.056	3.893	0.000
Consistency	0.741	0.07	10.646	0.000
Adaptability	0.148	0.06	2.458	0.015
Mission and vision	0.200	0.057	3.517	0.001

Source: Field Data (2017)

Table 4.12 above revealed that involvement and corporate entrepreneurship are positively and significant related (r=0.216, p=0.000). The results revealed that consistency and corporate entrepreneurship are positively and significant related (r=0.741, p=0.000). The results revealed that adaptability and corporate entrepreneurship are positively and significant related (r=0.148, p=0.015). The results revealed that mission and vision and corporate entrepreneurship are positively and significant related (r=0.200, p=0.001).

## 4.7 Discussion of the Findings

The results of the study indicate that the dimensions of organization culture relate to corporate entrepreneurship. These findings support that organizations cultures have an important influence on corporate entrepreneurship. The research findings revealed that the dominant cultures at TARDA were: employee involvement and mission and vision.

These findings indicate that TARDA had adopted these cultural components to a great extent. They concur with Sepehri and Khayati (2013) who points out that the existence of several characteristic of organization cultures exist for example; direction where the authorities clearly define employees' tasks and how aware employees are of their responsibilities, assignments and organizational expectations and individual initiative. The findings revealed the some of the various dimensions of organizational culture adopted by TARDA in its attempt to enhance corporate entrepreneurship.

The study established that organization culture greatly influenced corporate entrepreneurship. These findings are in agreement with Yildiz (2014) whose findings highlight how important organizational culture is for corporate entrepreneurship activities. Organization culture is one of the most suitably viewed necessary condition, for corporate entrepreneurship development since corporate entrepreneurship is extremely important to competitive advantage. The research findings that organizational culture influences corporate entrepreneurship also concur with Paunovic and Dima (2014) that corporate entrepreneurship should encompass an organizational culture that encourages and unleashes the entrepreneurial behavior of employees at all organization levels.

The findings are also supported by Okibo and Shikanda (2011) that an environment that contains both supporting and encouraging conditions influences innovation. In high innovation culture, employees are given work independency hence triggering an innovative culture in the organization. Seifari and Amoozadeh (2014) noted that there is a relationship between corporate entrepreneurship and organizational culture. Creation of an enabling environment increases employees' innovation competences that lead to new innovations hence increased organizational success.

## CHAPTER FIVE: SUMMARY, CONCLUSIONS AND

#### RECOMMENDATIONS

#### 5.1 Introduction

This chapter outlines the summary, conclusions and recommendations drawn as a result of the research findings. Limitations of the study and the researchers' suggestions for further research are also discussed in the chapter. This was done in line with the objectives of the study.

## **5.2 Summary of Major Findings**

The study set out to establish the perceived effect of organizational culture on corporate entrepreneurship in TARDA. The study has indeed conducted an analysis of the organizational culture and corporate entrepreneurship dimensions and their relationship in TARDA. From the study, a total of 149 questionnaires were properly completed and returned contributing to 80.97% response.

The study found out that TARDA has more male employees than females implying that the organization is male dominated. The study also discovered that a majority of TARDA employees are between the ages of 41-50 years. It was also found out that a majority of TARDA employees have at least a university degree. Another finding by this study was that most employees had stayed in the organization for more than ten years. This study also established the existence of a normal scenario in terms of organizational structure whereby a majority of TARDA employees were at the lower end of the organizational structure while fewer were at the higher end.

The study found out that majority of the employees agreed that they do not have the necessary skill to do the job hence problems often arise, they value team work, they are highly involved with work, the managers involve them, there is easy access of information, and they participate in determining their performance and act on their own. However employees were not sure of whether they have a positive impact in the organization, their jobs relate with the goals of the organization, cooperation is actively encourage and the organization continuously invest in employee skills. The study established that most respondents agreed that the set of values are clear and consistent and the style to doing business is constant and foreseeable though the culture is not strong. They were however not sure when one ignore the core values they will get in trouble, if coordinating projects across is easy, if it is easy to reach consensus, even on difficult issues and if employees often have trouble reaching agreement on key issues. They were also not sure if employees try to reach solutions that benefit both parties when disagreements happen.

Another key finding of this study is that employees are not sure if the organization is flexible and easy to change with the environment. Of equal importance was the finding that majority of the employees agreed that the organization strategy direction is clear to them, the organization has a long-term purpose and direction. The employees were not sure if organization progress is continuously tracked against its goals, employees understand what needs to be done for them to succeed in the long run and if there is shared vision of what the organization will be like in the future.

Regarding corporate entrepreneurship, the study established that the employees agreed that the organization pursue new businesses but they were not sure are not sure the organization is innovative and if the organization engages in strategic renewal. Correlation analysis revealed that organization culture was proportionately related to corporate entrepreneurship at TARDA while regression analysis revealed that the independent variables are good predictors of and that the variables are positively and significantly related to corporate entrepreneurship.

#### **5.3 Conclusion**

Based on the analysis, the study found out that organizational culture dimensions play a major role in TARDA as a way of enhancing corporate entrepreneurship. The cultural dimensions of involvement, consistency, adaptability, mission and vision have been found to be positively and significantly related to corporate entrepreneurship at TARDA. Generally improvement of these dimensions leads to corporate entrepreneurship.

Many factors affect corporate entrepreneurship that managers and supervisors ought to be aware of and need to work at all times to improve. It was determined that encouraging cooperation across different parts of the organization help in improving corporate entrepreneurship in an organization and problems often arise when employees don't have the necessary skills to do the job. In addition the study also concludes that when organization strategy direction is clear there is good corporate entrepreneurship in the organization. The study also concluded that when one ignore the core values they will get in trouble and capabilities of people are viewed as an important source of competitive advantage.

#### 5.4 Recommendation

The recommendations of the study include both suggestions to TARDA management as well as other organizations that wish to align organizational culture to corporate entrepreneurship. Based on the results of the study, the management of organization should ensure their employees are highly involved with their work and especially managers should involve employees in decision making. In addition there should be wide information sharing in an organization. Cooperation across different parts of the organization should also be highly encouraged as it will help in improving corporate entrepreneurship in an organization. The results further recommends that organizations should have a set of values that is clear and consistent. In addition the style of doing business should be very constant and foreseeable. There should also be a clear agreement about the right way to do things in the organizations. This will help in improving corporate entrepreneurship in an organization.

Activities in the organization should be done in a very flexible way in an organization and they should be easy to change. In addition, departments should work as a team to create change in the organization. Innovation and risk taking should be encouraged and rewarded in all organization. This will help in boosting corporate entrepreneurship in an organization. The organization strategy direction should be clear and communicated to all the employees and must also have a long-term purpose and direction. Top management should set ambitious but realistic goals and organizations should have a clear mission.

## 5.5 Limitations of the Study

There were some limitations faced during the study. It was difficult to gain access to the sampled respondents who work in TARDA. The researcher asked for necessary permission from TARDA management to collect data so as to reach the prospective respondents. Disclosure of information rendered data collection difficult due to the conventional nature of TARDA and the employees have also been administered the oaths of secrecy.

Owing to the information required by the study, it was difficult to measure the respondents' independence in responding to the research instruments. This limitation was overcome by guaranteeing the respondents that confidentiality would be maintained and the information used for academic purposes only. The researcher also obtained an official consent to carry out this study among the TARDA employees.

#### 5.6 Suggestions for further research

The study sought to establish the effect of organization culture on corporate entrepreneurship in TARDA. This study only focused on TARDA in Kenya only, thus other area for further studies could consider other government authorities from other countries. This will enable comparing the findings of this study

In addition, only four dimensions of organizational culture were examined in this study. Further studies should consider the effect of other dimensions of organizational culture which will expand the scope. Furthermore, additional literature on the influence of singular factors of organizational culture that have the highest impact on corporate entrepreneurship needs to be done.

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**APPENDICES** 

**Appendix I: Introduction Letter** 

Dear Respondents,

I am a master student at the University of Nairobi undertaking a research project on

'the perceived effects of organization culture on corporate entrepreneurship in

TARDA. Kindly fill up this information and return. Any information obtained for this

purpose will be kept strictly confidential and will only be used for academic purpose.

Your cooperation will be highly appreciated in this regard.

Thank You!

Yours truly:

Catherine Njeri Kahehu

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## Appendix II: Questionnaire

This questionnaire is divided into three sections. Please respond by ticking the appropriate box or filling in your answers in the blank spaces provided. This is an academic exercise and all information collected from respondents will be treated with strict confidentiality. Thank you very much for your cooperation.

## **PART 1: DEMOGRAPHIC INFORMATION**

1. Gender of respondents	
Male	
Female	
2. How old are you? (Years)	
Less than 30:	
31-40:	
41-50:	
Above 50:	
3. What is your level of educ	cation?
Primary	
Secondary	
College	
University	

4. How long have you worked in TARD	0A?
less than 1 year	
2 to 5 years	
6 to 10 years	
Above 10 years	
5. Which position do you hold in TARE	OA?
Top Managemet	
Middle level Management	
Staff	

## **PART TWO: ORGANIZATION CULTURE**

Below are several statements on various dimensions of organization culture. Please indicate your level of agreement with each of this statement in regard to the influence of Culture at TARDA. Please use the scales of 1-5 where 1-strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

### **A: Involvement**

	Strongly	Disagre			Strongl
Statement	disagree	e	Neutral	Agree	y agree
	1	2	3	4	5
Most employees are highly					
involved with their jobs					
There is wide information					
sharing.					
The employees participate in					
determining their performance					
levels.					
All employees believe they					
have a positive impact in the					
organization					
Managers involve employees in					
decision making					
Employee work is organized in					
a way that the relationship					
between the job and the goals of					
the organization can be seen by					

	Strongly	Disagre			Strongl
Statement	disagree	e	Neutral	Agree	y agree
	1	2	3	4	5
all employees.					
Teamwork across the					
departments is actively					
encouraged.					
Employees value team work to					
individualism					
The organization continuously					
invest in employee skills.					
There is delegation in the					
authority so that employees can					
act on their own.					
Problems often arise when					
employees don't have the					
necessary skills to do the job					

## **B:** Consistency

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
The set of values that governs					
the organization is clear and					
consistent.					

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
When one ignore the core values					
they will get in trouble.					
An ethical code that governs our					
behavior is in place.					
The style to doing business is					
constant and foreseeable.					
It is easy to organize projects					
across the different departments					
of the organization					
The goals across the different					
levels is well aligned.					
Employees in the different					
departments share a common					
viewpoint.					
The way things are done in the					
organization is clear					
Agreement can be easily					
reached, even on difficult					
subjects.					
Employees often have trouble					
reaching agreement on key					
issues					

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
Employees try to reach solutions					
that benefit both parties when					
disagreements happen					
There's a strong culture					

# C: Adaptability

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
It is very flexible and easy to					
change the way things are done.					
To create change, there is					
teamwork between the different					
departments.					
Change is usually meet with					
resistance					
Changes are made from					
customer commends and					
recommendations					
Customer wants and needs are					
understood by all employees					
The organization views					

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
employees capabilities as an					
important basis of competitive					
advantage					
The organization frequently					
implements new and improved					
ways.					
Failure is viewed as an opening					
for learning and improvement					
Learning is an important					
objective in the organization					
day-to –day work					
Innovation and risk taking is					
encouraged					
Creativity among is employees					
promoted					

## **D:** Mission and Vision

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
The Organization strategy					
direction is clear to me.					

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
The organization has a long-					
term purpose and direction.					
Our work is given meaning and					
direction by a clear mission.					
The organization strategy is					
clear.					
Strategic direction in the					
organization indistinct.					
There is a common					
disagreement about goals.					
The goals set by the					
management are ambitious but					
realistic.					
Managers ensures clear					
instructions are availed to staff					
concerning their tasks and					
duties.					
Organization progress is					
continuously tracked against its					
goals.					
Employees understand what to					
do so as to succeed in the long					

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
run.					
There is shared vision of what					
the organization will be like in					
the future.					
Our vision creates excitement					
and motivation to the					
employees.					
I have a good understanding					
about my role in the					
organization and how it relates					
to the mission and vision.					

### PART THREE: CORPORATE ENTREPRENEURSHIP

Below are several statements on various dimensions of corporate entrepreneurship. Please indicate your level of agreement with each of this statement in regard the corporate entrepreneurship in TARDA. Please use the scales of 1-5 where 1-strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

### **A: Innovativeness**

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
Our organization pursues new					
ways to do things					
Our organization is creative in					
operation methods					
Our organization invests in					
developing proprietary					
Technologies					
Organization emphasizes on					
developing new products					

## **B:** New Business Venturing

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
Our organization broadens					
business lines in current					
industries					
Our organization pursue new					
business in relation to the core					
business					
Our organization stimulate new					
demand for existing product					
through aggressive marketing					
Our organization find new					
market for products					

## C: Strategic Renewal

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
Our organization adopts flexible					
organization structures to					
increase innovation					
The employees are trained in					
creativity techniques					

	Strongly				Strongly
Statement	disagree	Disagree	Neutral	Agree	agree
	1	2	3	4	5
Employees are encouraged to be					
creative and innovative					
The organization establishes					
procedures to examine new					
innovations					