

**INFLUENCE OF ORGANIZATIONAL CHARACTERISTICS ON THE
RELATIONSHIP BETWEEN HUMAN MOTIVATIONS AND INTRAPRENEURIAL
BEHAVIOUR AMONG EMPLOYEES OF THE DOMESTIC TAXES DEPARTMENT
OF THE KENYA REVENUE AUTHORITY**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN
ENTREPRENEURSHIP AND INNOVATIONS MANAGEMENT, SCHOOL OF
BUSINESS, UNIVERSITY OF NAIROBI**

2018

DECLARATION

This research project is my unique work and has not been submitted for a degree in this or any other university or college.

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D66/81572/2015

This research project has been submitted for Examination with my approval as the University Lecturer.

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DEDICATION

This study is dedicated to my wife and children who have always given me the morale and support necessary to continue reading

ACKNOWLEDEMENT

This is to acknowledge my supervisor Dr Victor Ndambuki for his keen support; encouragement and patient guidance throughout my effort actualize this project. I also acknowledge my research moderator, Professor Zach Bolo Awino, for his guidance and vital directions

ABSTRACT

Innovation is the core of any organization that is keen to re-invent itself and live ahead of competition or continue with the efficient delivery of goods or services for which it exists. It is however not possible to innovate without the involvement of people (employees). The Intrapreneurial behaviour (entrepreneurial activities within the organization) of an employee results from an interplay of various personal characteristics (Human motivations) of that employee and other factors external to the individual. This research was done to establish the relationship between the Human motivations, organizational characteristics and Intrapreneurial Behaviour of the employees of the Domestic Taxes Department (DTD) of the Kenya Revenue Authority (KRA), a typical non-trading state corporation (The influence of the external environment of the organization was not a subject of the study). The ultimate goal was to expand empirical data to inform organizational management, leadership and policy making in addition to informing further research by scholars and other interested parties. Data was collected through a structured questionnaire delivered to a sample of 165 employees and collected by hand. The data was tabulated, tested for reliability and analysed by way of descriptive and inferential statistics through multiple regressions – mean scores, standard deviations, correlation coefficients, F-values, R-square, regression coefficients and other indices. The research came to a conclusion that organizational characteristics have a significant moderating effect on the relationship between Human motivations and Intrapreneurial Behaviour of employees of the Domestic Taxes Department (DTD).

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CHAPTER ONE: INTRODUCTION

1.1 Background

Entrepreneurship is viewed as a deliberate process of creative destruction in which an entrepreneur creates value by disrupting, dismantling and reorganizing the existing status to come up with innovative new products, processes or services. This idea was pioneered by Schumpeter (1934), among other scholars. Adam Smith had earlier described the entrepreneur as an 'Enterpriser' who acts to satisfy unsatisfied needs by taking innovative measures for that purpose. Intrapreneurship is a special case of entrepreneurship which takes place when individuals within an existing organization engage in innovative activities, within the confines of the organization (Pinchot, 2008).

Every individual engaging in intrapreneurial activity must be motivated to do so – human motivation precedes activity. Human motivations are the personal factors or needs by which individuals are persuaded, or prodded, to act in a particular way. In the context of intrapreneurial behaviour such factors would include a high desire to achieve results, a desire to associate with other people, a desire to influence others, lead and give direction, a desire to satisfy the most basic human physiological needs and the need for personal security and safety. However, various empirical studies have shown that the level of intrapreneurship often varies from one organization to another ((Ngugi et al., 2016, Mbaka et al., 2017). Furthermore, organizations are not exactly the same. Each organization has its own distinctive characteristics. Such characteristics would include resource availability; the technologies used by the organization, formal regulations and organizational culture in general (Antoncic, 2007). Consequently, two pertinent questions arise. First, what factors trigger, enhance, or constrain the motivation to take intrapreneurial actions? Secondly, what is the role of organizational characteristics in intrapreneurial behaviour?

There are many theories underlying the concepts of organizational factors, intrapreneurial behaviour and human motivations and the relationship between these variables. McClelland (1961) theorised that human motivation arises from three needs – the need for achievement, the need for affiliation and the need for power. Understanding these needs therefore would be a key to the deployment of effective methods of motivating individuals. McClelland was inspired by Maslow's theory (Maslow, 1943) which had classified human needs into a hierarchy of five layers, from basic needs at the bottom to self-actualization at the top. According to this theory a higher need in the hierarchy is activated only when the lower needs are satisfied.

Other prominent theories of motivation include Alderfer's need-modified theory (Alderfer's, 1969) which reclassified the five needs in Maslow's theory into three categories, Herzberg's two factor theory (Herzberg, 1959) which classifies various factors into two broad categories - motivators and de-motivators of human beings and McGregor's theory X and theory Y (McGregor, 1960) which considers that the motivation of workers lies between a continuous scale between two extremes – at the one extreme, theory X posits that individuals are naturally lazy, opposed to work and ready to avoid it at every opportunity in the pursuit of their own basic needs. They hence need to be forced to work. At the other extreme, theory Y states that individuals are lovers of work and ready to do it without any push or prodding or force. Process theories, also called cognitive theories, of motivation on the other hand hold that people are motivated according to the way they perceive and understand their environment. The main theories in this class include the expectancy theory (Vroom, 1964), the Goal setting theory (Locke & Latham, 1979) and finally the equity theory (Adams, 1963).

According to Shapero (1982), in the Entrepreneurial Event Theory (EET), three perceptions determine a person's intention to act in an entrepreneurial manner: The perceived extent to which

the actions are desirable, the perceived practical workability of the desired actions and the natural inclination or willingness to act in that manner. Ajzen (1991), in the Theory of Planned Behaviour (TPB), on the other hand, posits that a person's intent to take entrepreneurial action is determined by three factors: the person's attitude towards the said behaviour, the pressure to act according to the attitudes and beliefs of other people (subjective norms) and finally the extent to which the person believes they are able to effect the desired action while remaining in control of the process (perceived behavioural control).

In spite of the various major and subtle differences between the theories, there is one point of convergence between them: Human motivations are psychological attributes specific to individuals (Ilgen & Klein, 1988). It therefore means that any research with the aim of getting results to inform interventions to influence or translate motivation into activity should concentrate on the specific motivations and how they might be affected by organizational characteristics. A study of motivation in the context of public sector employees is desirable for various pertinent reasons – the public sector is about the functions and services of government. The role of government is vital to the effectiveness and functionality of Kenya's economy.

The efficiency with which the government delivers services is determined by, among other factors, the adequacy of its workforce, not only in numbers and quality but also in terms of motivation. The importance of employee motivation is underlined by the fact that the other factors of production have to be organized and mobilized by labour. Public sector services are rendered by government, often through special-purpose organizations called state corporations. Each state corporation is enacted by parliament and mandated by its founding Act to perform specific functions on behalf of government.

The state corporations are usually non-trading, non-profit making and highly regulated by law and other formal rules (though some are of a trading nature). Their organization, whether trading

or non-trading, is often structured and highly bureaucratic. It is in the face of such legal foundations, regulation and structured organization that employees in state enterprises are bound to work. This study will therefore be undertaken in order to understand how the various factors inherent in such circumstances affect the relationship between employees' inherent motivations and employees' entrepreneurial behaviour within the organizations with which they work.

1.1.1 Human Motivations

According to McClelland (1961), Human motivations, as distinct from environmental influences, are those personal traits, desires, needs, aspirations or deficits for which an individual would be moved to act in order to get satisfaction. McClelland accordingly identified many of the personality traits associated with human motivation as the need for to accomplish missions and achieve desired results, the tendency to take risks, the locus of control, the need for autonomy, and the ability to tolerate ambiguity. McClelland then viewed these factors as giving rise to three classes of motivating needs – the need for achievement, the need for affiliation and the need for power.

The need for achievement is the desire to derive satisfaction from getting the desired results. People with a high need for achievement Risk taking propensity is the readiness to take actions with the prospect of failure or success. The locus of control is that innate trait of a person that makes them love to make personal decisions and take responsibility for both success and failure. People with an internal locus of control do not shift blame to others or want to take credit where it is not deserved. Those with an external locus of control on the other hand are less ready to make bold decisions and take responsibility for the outcome. They may also be quick to disclaim responsibility for adverse outcomes.

According to Jansen (2006) autonomy implies freedom to decide and Act. Within an organization this entails the leeway of an individual to act without seeking prior permission or approval. Some

persons may be motivated by autonomy even in loss making organizations. Their pleasure simply is simply derived from making personal decisions. In the 1961 research, McClelland was building on the work of Abraham Maslow (1943) who had earlier classified the personal needs in a different way and arranged them in a hierarchy running from the most basic needs to the highest level of self-actualization needs in the following order: Physiological needs (for instance food, air and good health), Safety needs (like security and protection from injury), Social needs (like love and belonging to a family), Ego needs (like independence, recognition and respect) and finally Self-actualization needs (like leisure and high status in society). It is however noted that Maslow's studies were done in the field of psychology. McClelland on the other hand, though inspired by Maslow, did his studies in a business environment with employee motivation particularly in mind. This research was founded on, and guided by, McClelland's theory of Motivation

1.1.2 Intrapreneurial Behaviour

Intrapreneurial behaviour is made of all those actions of the individuals within an organization which contribute to, and end up in, the creation of innovative products, services or processes that lead to value addition (Antoncic & Hisrich, 2008). The key indicators of intrapreneurial behaviour include Innovativeness, proactiveness, risk taking, Collaborative efforts, continuous search for knowledge, a sustained search for opportunities to make improvements and add value to the organization, promptness (timely action) and customer orientation (Lizote et al. 2013, Singer et al. 2014, Parker et al. 2010). Proactiveness is the voluntary drive to act without external compulsion or prodding force. Customer orientation is the mindset and operating arrangements that put the customer's needs at the centre of planning.

Collaboration (working together, supporting each other), where circumstances allow it, can facilitate the exchange of ideas and improve the overall amount of intelligence at organizational level. An opportunity is an unsatisfied need which can be satisfied when the entrepreneur takes

innovative action. The resultant value addition usually takes the form of cost saving, increased efficiency, increased output and profitability, higher customer satisfaction and improved product and service quality.

According to Zhao (2013), intrapreneurial behaviour is a culmination of an inter-play of antecedents in a process that takes time and becomes more effective when consciously planned. Therefore, when the various preceding conditions are present to motivate individuals within an organization, the outcome may be a tendency to behave intrapreneurially for the benefit of that organization. Various studies have recently found that intrapreneurial behaviour is affected by various factors emanating from within and outside the organization. Some of the factors are related to staff characteristics as individuals and some to the organization itself. Factors external to the organization include the legal and regulatory framework within which the organization operates, the law relating to intellectual properties and government research funding, among others. This study was concerned with intrapreneurial behaviour in relation to staff and organizational characteristics only – Influences from outside the organization were not part of this research

1.1.3 Organizational Characteristics

Organizational characteristics are all those factors, policies and practices which exist consistently within that organization, hence forming part of the culture of the organization. According to Malek (2013), the most basic characteristics of an organization which might be relevant to intrapreneurial behaviour include its culture, structure, reward systems, communication channels, regulatory and control systems, management and leadership styles.

Other organizational characteristics include strategy, industrial relations, staff welfare and technology used. Organization culture refers to the way things are normally understood and done in that organization. According to Schein (2006) organizational culture should be viewed as a system of norms, shared values, concerns and common beliefs that are accepted by members of that organization. Organizational structure may be broadly Bureaucratic or Organic. Bureaucratic structures entail a long and strict chain of command, with clear labour division, defined and often lengthy but slow communication channels and authorization process. These are rigid and governed by strict rules, reluctant to change and less responsive to changes in their surroundings, among other characteristics. Organic structures on the other hand are more flat. They allow more room for autonomy and faster decision making and speedier communication. Tasks are not so extensively specialized.

Reward systems are the methods of rewarding staff for their performance according to predetermined standards. The existence and functionality of communication channels, between management and staff, are vital to the need for each to express themselves to the other on various matters including innovative ideas. Regulatory and control systems and devices include the law, internal policies and regulations by which organization is governed and controlled. While Management refers to the top officers of an organization and the functions they perform, leadership is the ability to show direction (the desired course of action) and inspires people to follow. There are many aspects to leadership and management which can have a bearing on motivation and intrapreneurial behaviour among employees (Bass, 2009). A non-supportive, incompetent and visionless leader or management can stunt innovative thinking and activity among employees (Zhao, 2005)

1.1.4 Domestic Taxes Department

The Domestic Taxes department (DTD) is a department of the Kenya revenue Authority (KRA), a non-trading state corporation in the financial sector. The KRA is mandated to collect revenue as a commissioned agent of the Government of Kenya. The corporation is answerable to the Cabinet secretary in charge of the Kenya National Treasury.

The operations of the KRA are subject to oversight by parliament and the Kenya National Audit office. At the top of its hierarchy is a Chief Executive Officer designated as Commissioner General (CG). The DTD collects Income Tax according to the Income Tax Act (cap 470) and Value added Tax (VAT) according to the VAT Act, 2013. Apart from the DTD there is one other major revenue collection department - the Customs Services Department (CSD). Each of the three revenue collection departments is headed by a departmental head, known as Commissioner, who reports directly to the Commissioner General.

The Domestic Taxes Department (DTD) has its headquarters in Nairobi where the departmental head sits. For the purposes of the department, the country is divided into 5 regions – Southern, Northern, Nairobi, Western and rift Valley, Central and Eastern – each headed by a regional manager. Each region is further divided into stations. Each is controlled by a station manager. Some of the big stations have satellite offices headed by satellite station managers. The department therefore has a wide presence throughout the country with offices in the major cities and towns, including Nairobi, Mombasa, Kisumu, Nakuru, Eldoret, Kisii, Garissa, Kericho, Nyeri, Embu, Malindi, Nanyuki, Kakamega, and Lamu. The department is highly bureaucratic with key policies made at the head office, then handed down to the regions and stations. Communication channels and reporting structures along the hierarchy are extensively formalized. The operational procedures are prescribed as part of policy.

The work processes in the department are extensively automated with the core business of tax collection anchored to a computer system called iTax. The system provides an online interface which handles the filing of returns and payments data, together with the application for, and processing of Personal Identification numbers (PINs), Tax Compliance Certificates (TCCs), waivers of interest and penalties among other functions.

The DTD establishment is made of 2950 members of staff, working on permanent and pensionable terms according to individual performance contracts signed annually. Of that number some are trained to be Revenue officers (technical staff) who are charged with the core business of assessing, demanding, collecting and accounting for the tax. The non-technical staff offer support services to all departments. The main support services of the Kenya Revenue Authority include Human resources (HR), Information and communication Technology (ICT), Corporate affairs and planning, legal services and corporate innovations and transformation department. The human office and the ICT services are head-quartered in Nairobi, with satellite offices in the regional headquarters. Staff remuneration is essentially a fixed basic salary, commuter allowance and house allowances for those who are not accommodated in KRA staff quarters. Non cash benefits include housing for some, car loans, lap-top loans, low interest mortgage facilities, a limited medical cover, and a group life insurance cover

1.2 Research problem

The problem at the heart of this study arises from the conceptual framework viewed together with the gaps isolated from a review of existing empirical studies and recognition of the primacy of state enterprises as vehicles of government service delivery. Subsequent to McClelland (1961), a wealth various studies have been done concerning the three variables Human motivations, the intrapreneurial behaviour of employees and organizational characteristics (Jayabharathi et al. 2015, Rojuaniah et al. 2016, Parker& Collins, 2008).

The central aim of many existing studies has been to establish empirical knowledge to help inform appropriate interventions in order to foster intrapreneurial behaviour among employees of various organizations (Aparicio, 2017; Shane, 2000). The organizations for which employees work may be classified under two broad categories – state enterprises (state-owned corporations) and non-state enterprises. The Kenya Revenue Authority (KRA) is a typical non-trading state corporation established authorized to collect taxes on behalf of the Government of Kenya (GoK).

Like the Domestic Taxes department of the KRA, State enterprises in Kenya are formed to help the government perform its key function of rendering the best possible services to the public as efficiently as possible. To that end the government expends a great lot of financial resources and other support to the corporations. Though some of the state corporations do not trade for profit as a primary motive, the services they render are of strategic importance and fundamental to the well-being of the people of Kenya. Furthermore, the quality and extent of government services is a measure and strong indicator of government performance.

In order to maximize the value added, there is always need for innovative approaches to improve the work processes in terms of logical sequence, speed, and ease. There is also need for innovations to minimize the costs of service delivery and maximize convenience to the concerned corporations and the consumers of their services. However, innovations within an organization are not possible unless employees are motivated to think and act in an entrepreneurial manner within the organization.

An extensive review of at least 20 existing studies appears in subsection 2.5 below. From the nature and findings of those studies many research gaps come to light. It is clear that most of the work was done in private business enterprises.

It also emerges that none of the existing studies, even those conducted in public sector settings, addressed the specific triple relationship between human motivations, and intrapreneurial behaviour, with organizational characteristics as a moderating factor in a non-trading state enterprise like the Domestic Taxes Department.

On the other hand, many of the existing studies conceptualized only the direct relationship between human motivations and intrapreneurship. Other studies treated organizational performance as an indicator of intrapreneurship, but never examined the particular intrapreneurial activities and behaviour of individuals in relation to their psychological and physiological needs constituting their motivations (Macharia, 2013; Kimwomi, 2015; Moige et al. 2016; Arunga, 2017; Sandra et al. 2017; Rojuaniah et al. 2016; El-Ghalayini, 2017; Abdullah, 2010, etc).

One of the studies particularly (Sandra et al., 2017) was done in a software company in which innovation is the core business. The circumstances of such a study are hence diametrically different from the situation of a non-trading state corporation, like the Domestic Taxes department of Kenya, a government agency mandated to render services, with no profit motive. This study therefore sought to address the research gaps and answer this question: What is the relationship between human motivations, organizational characteristics and intrapreneurial behaviour in the Domestic Taxes Department of the Kenya Revenue Authority?

1.3 Research objectives

Following are the objectives by which the research was guided:

- i. To determine the relationship between human motivations and intrapreneurial behaviour among employees of the Domestic Taxes department in Kenya.
- ii. To determine the relationship between human motivations, organization characteristics and intrapreneurial behaviour among employees of the Kenya Domestic Taxes department.

1.4 Value of the study

The research findings may be a source of useful insights for Managers concerning their leadership styles and other functions of management. The insights will assist them deploy the best methods to motivate their staff in order to enhance intrapreneurial behaviour among them.

It is hoped that the findings may form the basis of similar studies in other state enterprises in and outside Kenya. It may also provoke academic discussion and provide a library reference source for students, theorists, consultancy practitioners and entrepreneurs.

Policy makers may also find the research findings useful, more especially with regard to the formulation of laws and regulations affecting various organizational characteristics like communication channels, organizational structure, industrial relations, reward systems, technology used and control systems.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter the researcher reviews three leading theories of motivation. This is necessary to establish the theoretical foundation of the study. The researcher also reviews literature on the concepts of motivation, organizational characteristics and intrapreneurial behaviour with a view of knowing how various scholars have attempted to conceptualize and define the variables. There is also an interest in what the literature says about the direct relationship between motivation and intrapreneurial behaviour and the effect of organizational characteristics as a moderating factor. More than 20 empirical studies, some of them conducted in Kenya and the rest outside Kenya, are reviewed in section 2.5 below with a primary focus on the Context of the Studies, the objectives of each study, the methodology used, the findings obtained and the conclusions made. This leads to the identification of knowledge gaps that will form the basis of the current research.

2.2 Theoretical Framework

In this section three important theories are reviewed - McClelland's three needs theory of human motivation, Shapiro's Entrepreneurial Event Theory (EET) and Ajzen's Theory of Planned Behaviour (TPB). The findings of a few studies subsequent to, and based on, each of the theories are also disclosed. Although the theories have various features in common, the research was founded on McClelland's theory which the researcher considers more comprehensive and most relevant to the proposed study.

2.2.1 McClelland's three needs theory

According to McClelland (1961) there are three motivators that all human beings have – the need for achievement, the need for affiliation and the need for power. Of these three factors one will often be dominant with regard to each individual in various circumstances.

The need for achievement prods the individual to desire challenging but achievable goals and take risks with care and restraint (Atkinson, 2013). Such individuals also call for factual feedbacks on their progress and performance. Such persons are often loners. Johnson (2012), in a review of 23 previous studies, concluded that there is a relationship between the need for achievement and entrepreneurial activity. Tolerance for ambiguity is another important trait for entrepreneurs. This refers to the ability to accept situations in which both success and failure are equally likely (Boyd et al, 2007). The individual takes failure as an opportunity to learn and success as a source of satisfaction. Many studies after McClelland have affirmed McClelland's view that persons with an internal locus of control are more entrepreneurial than those with an external locus of control. However, a few other research findings contradict McClelland. A study by Babb (2002) found no significant difference between founders and managers in North Florida. Begley (2005) came by the same findings in a study of new entrepreneurs in England.

The need for autonomy is an expression of the freedom to Maalu (2010), in a study focussing on high school students; found that the need for autonomy is the strongest motivator towards entrepreneurial thinking and activity. If the need for affiliation dominates the other two needs, the individual harbours a strong desire to be associated with others in the form of groups or networks. Those with such a need are more inclined to collaboration and aversion to risk and uncertainty. Individuals in this category have a strong desire to be loved and approved by others. Where the need for power is dominant, the affected individuals often want to be in control and influence others to a preferred course of action or behaviour and advance their arguments firmly but carefully in order to win. Such people derive great satisfaction from the attainment of high status among their colleagues' and other people. Such recognition greatly motivates and reinforces their behaviour.

This research was anchored to McClelland's three needs theory for its focus on the specific innate characteristic traits of individuals from which entrepreneurial perceptions and attitudes are formed. The Entrepreneurial Event Theory (EET) and the Theory of Planned Behaviour (TPB), discussed below fall short of the specificity required when studying what motivates individuals to entrepreneurial activity.

2.2.2 Entrepreneurial Event Theory

In the Entrepreneurial Event Theory (EET) Shapero & Sokol (1982) posit that three perceptions determine a person's intention to act in an entrepreneurial manner – the extent to which the actions are desirable (personal attitude), the practical workability of the desired actions considering how others might respond (subjective norms) and finally the natural inclination or willingness to act in that manner (perceived behavioural control). It is therefore clear that the theory is focused on the psychological factors (perceptions) of the individual, and not particularly how external factors moderate those perceptions of an individual.

The theory holds that an entrepreneurial event occurs whenever a person, acting in relative autonomy, takes risk to do something perceived to be value adding, consolidates or mobilizes resources or takes managerial measures to add value. The Entrepreneurial Event Theory therefore puts emphasis on perception as the immediate precursor of entrepreneurial intention and entrepreneurial events. Though the theory appears to make no reference to direct external factor influence, the external factors are important in shaping perception (Parente et al. 2013). The external influences may arise from family members, cultural values of society, role models and the characteristics of specific formal or informal organizations to which the individual belongs

Various studies have supported Shapiro's theory, while others obtained contradictory results. In one South African study Mbuqe (2016) found that the practical workability (Perceived feasibility) variable had no significant effect on entrepreneurial intention and behaviour. Only the personal attitudes and inclination (propensity) to act was found to significantly influence entrepreneurial events. As the theory groups an individual's perceptions into three categories – desirability, practical workability and a perception of how others might respond – it is quite similar to McClelland's theory. This is particularly so considering that motivation to a course of action can be seen as an end product of the individual's perceptions. However, McClelland's theory is more specific about innate individual motivations to act without regard to the way others might respond.

2.2.3 The Theory of Planned Behaviour

In the Theory of Planned Behaviour (TPB), Ajzen (1991) states that a person's intention to take entrepreneurial action is determined by three factors - the person's attitude towards the said behaviour, the pressure to act according to the attitudes and beliefs of other people (subjective norms) and finally the extent to which the person believes they are able to effect the desired action while remaining in control of the process (perceived behavioural control). This theory looks at the broad perceptions arising from the individual's own motives and the influence of other persons.

It therefore appears that the TPB is similar to the EET in a few respects – Perceived desirability in Shapiro's theory (EET) is similar to Ajzen's attitudes. Likewise, practical workability in Shapiro's model corresponds to perceived behavioural control in Ajzen's theory (TPB). Both EET and TPB look at the attitude when it is already formed and try to measure its influence on entrepreneurial behaviour.

However, the theory of PTB's applicability to entrepreneurial behaviour has been cast in doubt. Researchers have observed that intention alone does not guarantee a translation to intrapreneurial activity (Kautonen et al. 2015). In addition to that, there is empirical evidence that intention

accounts to little transition to actual behaviour - Change in intention has been found to contribute to disproportionately less entrepreneurial behaviour (Webb & Sheeran, 2006). Some scholars have also said that the TPB, being a general psychological theory and not specifically formulated for business or entrepreneurial environments, has attracted research work in widely diverse behavioural fields like marketing, medicine, fitness and public health. The findings may therefore not apply directly to entrepreneurial behaviour. According to Lawton et al. (2011), there is need for further research to generate findings in and entrepreneurial context

2.4 Human Motivation and Intrapreneurial Behaviour

The direct relationship between Human motivation and entrepreneurial behaviour appears to ignore the role of moderating factors. However most of the studies so far carried out tend to indicate awareness about the moderators. In this section the researcher too reviews the literature with particular focus on the direct relationship alone.

According to studies carried out by Abraham Maslow (1943) human needs are strong motivators to Action. Maslow classified the needs into a hierarchy of five layers, ranging from the most basic (food, air and sex) at the bottom to the highest need of self-actualization. A higher need according to his studies becomes a motivator only when all the lower needs are satisfied. David McClelland (1961), in a culmination of various studies, regrouped the needs in Maslow's hierarchy into three distinct categories. First is the need for achievement. Then there is the need for affiliation and finally the need for power. People with a high need to achieve are result oriented, independent, self-driven and always ready to take risks and responsibility.

Those with a high need for affiliation are motivated by the sense of belonging to groups and collaborative networks. Finally, individuals with a high need for power derive great satisfaction from taking a leading role and getting followers, having the autonomy to make important decisions without having to seek permission. Such individuals are usually visionary and decisive.

While Maslow's studies were not specifically about entrepreneurial motivations and behaviour, McClelland work related the motivating factors directly to entrepreneurial activity. Subsequent studies have been carried out more recently on the basis of these two theories and many close variations of the same. The results offer significant support for both McClelland and Maslow (Uduji et al. 2013, Rojuaniah et al. 2016, Ngugi et al. 2016). This study was grounded on the motivation and intrapreneurial behaviour variables as conceptualized by McClelland (1961)

2.5 Human Motivations, Organizational Characteristics and Intrapreneurial Behaviour

The key organizational factors in question include management support, organizational structure, and organizational reward schemes and sanctions for errant behaviour, organizational culture, leadership styles, communication channels, and organizational strategy and control systems. Malek et al (2013) found that management support, among the other factors, is a critical factor considering that employees cannot act outside the constraints imposed by their employer. This view is reinforced by Zhao's (2015), Arunga (2017) and Moige et al. (2017) among other studies. The support by management may come in various forms including, training, provision of funds and skunk works, creation of knowledge repositories and encouragement of collaborative efforts. Organizational structure has a direct bearing on intrapreneurial activity. A flat structure, in which more decisions are made at lower levels of the hierarchy, without seeking approval from seniors, gives employees a leeway for discretion the freedom to act in time. Decisions are faster and timely. Intrapreneurial thinking is hence encouraged (Jogarathnam & Tse, 2006).

In Bureaucratic structures on the other hand, actions by staff are strongly constrained by rules and orthodoxy. Autonomy is minimized and processes become more automatic. The employees have to work in the strait jacket of formal policies and standard work procedures and processes. The organization rarely tolerates ambiguity. Deviation from the set norms is often penalized. So the employees are less likely to make risky decisions for fear of sanctions.

Organizational culture (the way of life in an organization) is also an important factor in intrapreneurship. The culture is founded on a set of shared and accepted beliefs, values, norms, procedures and rules. A culture that encourages free collaboration and proactive sharing of information and ideas is good for intrapreneurship (Wong, 2005; Mbaka, 2017). On the other hand, if the elements of the culture are neither understood nor accepted nor shared by all, entrepreneurial activity within the organization is stifled.

According to Christensen (2005), an organization's reward system has a direct effect on intrapreneurial thinking among staff. It should hence be designed to elicit the desired entrepreneurial behaviour (Singer, 2016). For this to happen, the organization should have a way (a feedback mechanism) of knowing who to be rewarded and reinforced for the right behaviour, when and to what extent (Aparicio, 2017). Beals (2009) found that Open communication channels provide a strong opportunity for people to share ideas. The channels should be open for communication up down the hierarchy and also horizontally across functions and various units. For information to flow freely there should be no rigid intra organizational boundaries. The leadership and management styles should be supportive. Non- involvement of staff in decision making and autocratic tendencies by those in leading roles discourage intrapreneurial. Managers and leaders should be accommodating and visionary, rather than coercive, intolerant and drifty.

2.6 Empirical studies and knowledge gaps

Various scholars have studied human motivations, organizational characteristics and entrepreneurial behaviour in various settings and circumstances, both in and outside Kenya. The formulation of each research depends on the objectives and aim of each researcher. Some of the literature on empirical research, which is relevant to the proposed study, is examined and summarised in this section. The pertinent areas of concern in each review include the variables

and the relationships studied, the objectives of the study, the methodology, data analysis methods, statistics calculated and findings and conclusions of each study.

A descriptive census survey to determine the incidence of intrapreneurship in public sector trading organizations in Kenya was carried out by Macharia (2006). The researcher also had a second objective: To determine the factors that affect the tendency to act intrapreneurally within the same organizations. All 31 listed state enterprises were sampled. The response rate was 64.5% (20 enterprises). Data was collected using a questionnaire circulated to the top management staff and departmental heads and high level planners in each corporation. The questionnaire called for simple responses to specified statements, indicating the extent to which the respondents agreed with the statements on a scale of 1-5 ('to a very large extent' to 'no extent at all'). The factors representing the independent variable included availability of resources, management styles and support, existence of networks, organization structure, state of knowledge (human capital) and organization structure.

In the foregoing research, entrepreneurial orientation (the tendency to behave intrapreneurally), as a dependent variable, was measured through various indicators including customer focus, innovativeness, propensity to take risks and aggressive competition. The survey concluded that the extent to which intrapreneurship is practised in the state corporations was moderate.

It is however noted that the foregoing study did not focus on specific human motivations as posited by McClelland (1961). Furthermore, organizational characteristics were taken as having a direct, rather than moderating, effect on the relationship between human motivation and intrapreneurship. The survey also put its major emphasis on determining the extent of intrapreneurship rather than quantified correlation between organizational characteristics and the practice of intrapreneurship.

In a case study of the National Social Security Fund (NSSF) of Kenya Kuria (2013) sought to establish the various factors that motivate the NSSF employees and the effect of motivation on the performance of those employees. The study was anchored to Maslow's theory of motivation. A descriptive research design was adopted with stratified random samples taken across the departments of NSSF, a state run retirement benefit organization. It was established that non monetary rewards like commendation and congratulations are the greatest motivators of staff. Human resource-related policies and practices and other organizational factors were also found to affect staff motivation. However, there was no study of the relationship between human motivations and intrapreneurial behaviour as moderated by organization characteristics. Furthermore employee output, or performance, is not necessarily indicative of intrapreneurship.

A case study similar to Macharia (2013) had been carried out at the Bamburi Cement Ltd, a private limited company manufacturing and trading in cement (Kivuva, 2012). A stratified random sample of 40 members of staff was picked from a population of 550 employees, for the descriptive research. The aim was to determine the factors that motivate staff in the trading company which had consistently posted impressive results in the past. Like the NSSF study this research was lopsided towards motivations without a clear focus on the link to intrapreneurship and the moderating factor of organization characteristics.

In an extensive descriptive cross-sectional survey of 53 universities in Kenya, Waitthaka (2014) sought to establish the direct and complex relationships between organizational characteristics, corporate identity management practices, corporate image and brand performance of public and private Universities. Primary data was collected by questionnaire. The questionnaire was structured to elicit concise responses. In addition to that secondary data was also obtained. Hierarchical multiple regression and correlation analysis was done on the data collected. The only semblance between the 2014 study and the current proposed research is the involvement of

organization characteristics and their moderating effect on the relationship between corporate image management practices and brand performance, which was found to be significant using the t-statistic test of significance. The other variables are not relevant to the current research proposal.

In a detailed cross-sectional survey of manufacturing firms in Kenya, Kimwomi (2015) worked to establish how Innovation depends on knowledge strategy and how the performance of manufacturing firms depends on innovation. The moderating role of organizational characteristics on both relationships was also studied in addition to their direct effect on innovation. A disproportionate stratified random sample of 266 firms was taken from both listed and non-listed firms in order to avoid bias against the smallest firms. A structured questionnaire was used to collect data. The respondents were the executive officers and top managerial staff of the sampled firms. The researcher used various descriptive statistics to summarize the data and inferential statistics to determine the relationships between the variables in his conceptual framework. It is clear from the foregoing facts that the study was done in an environment of private business organizations with a profit motive, unlike the Domestic Taxes Department which is in the public sector as a service delivery agent of government.

Moreover, though the study included the effect of organizational characteristics on innovation, it did not focus on what motivates individual employees (Specific human motivations). The survey was also not concerned with the various measures of intrapreneurial behaviour (with emphasis on individual employee actions). The focus was on strategic concerns, like the status of knowledge and innovation in the organization viewed as an entity. Therefore, its conceptual framework and key variables do not address the concerns of the proposed research.

A cross-sectional study was done by Mbaka (2017) at the Kenya institute of Management (KIM) to find the strategic factors that determine entrepreneurial orientation among staff of the institute. KIM is a state owned training institute in the educational services sector. Various organizational

factors, for example flex-time and staff empowerment, cooperation and communication between various sections and availability of time, were conceptualized as having a direct effect on the intrapreneurial orientation of employees. A structured questionnaire was used to collect data from a sample of 108 permanent employees of KIM. The sample was drawn various divisions and branches of KIM. The data, subjected to multiple regressions and factor analysis, indicated a positive correlation of at least 0.5 between each determinant factor and intrapreneurial behaviour. It was concluded, from the correlation and regression coefficients, that support by management was the strongest determinant while boundaries within the organization had the lowest effect on intrapreneurial orientation. An overall R-Square test indicated that the factors (independent variables) explained more than 63% of the intrapreneurial orientation of employees. Clearly the research focused on the direct relationship relationship between 5 selected organization characteristics and intrapreneurial behaviour. There was no concern with human motivations, like the need for achievement, need for affiliation and need for power.

Another research was done by Moige et al. (2016) with two objectives. First was to establish the effect of Management support on the performance of food fortification firms in Kenya, and secondly to find the corporate innovations and corporate creative activity that promote the performance. A simple random sample of 150 respondents was selected from all the 22 companies in the food fortification industry. Data was collected by means of a structured questionnaire and duly analyzed. The study concluded that management support, in terms of appropriate policies and provision of resources to encourage innovations, was crucial to the performance companies in the food fortification industry. Apart from a consideration of the organizational factor of management support as having a direct relationship with organization performance, all other organizational factors were not included in the study. In addition to that the dependent variable of organizational

performance is not exactly the same as intrapreneurial behaviour with which the proposed study is concerned. There was no mention of human motivations.

The necessary organizational characteristics preceding intrapreneurial behaviour in the pharmaceutical industry in Kenya were studied by Arunga (2017). The characteristics included management support, work regulation flexibility, organizational divisions and boundaries, availability of time and reward systems. In the explanatory, cross-sectional descriptive study, a stratified random sample of 10% was drawn from a population of 1091 pharmaceutical sales representatives in Kenya. The data collected through a questionnaire was analysed by calculating multiple regression and correlation indexes. Organization characteristics and intrapreneurial behaviour had significant positive correlation indices. The research carried out in a commercial environment did not examine the effect of employee motivations on intrapreneurship with organizational characteristics as a moderating factor. The assumptions of multiple regressions were also not tested in full.

In another research by Ngugi et al. (2016) the aim was to determine the effect of management support structures and the role of a product champion on the performance of Kenyan commercial state corporations. All the 121 state corporations, spanning various sectors of the economy, were sampled. The respondents were 121 top management staff, one selected at random from each of the corporations. The data was collected by both questionnaires and face to face interviews. The statistics obtained through multiple regression analysis led to the conclusion that the intrapreneurial strategies of state corporations are not quite effective though the relevant supportive policies exist.

McClelland's three needs theory and Maslow's hierarchy of needs theory were put to test in a Nigerian study by Uduji et al. (2013). A stratified proportional sample of 350 salespeople and managers was picked from some multinational companies in Nigeria for a descriptive/diagnostic

research process. The sample was made of one manager for every three salespeople. The Chi-square statistic showed that the research results were significant. In the overall it was concluded that for excellent performance staff had a moderate need for achievement, a moderate need for power and a moderate need for affiliation. It was also found that a satisfied need ceases to motivate staff. Whereas the variables in the Nigerian research are closely related to the variables in this proposal, the research was done in the context of multinational firms rather than state corporations regulated by law and public policy. Organizational characteristics were also not clearly conceptualized as a moderating factor

A study in Brazil sought to establish the relationship between organizational characteristics and intrapreneurship (Lizote et al., 2013). The respondents were professors and other staff coordinating studies for undergraduate students. A representative sample was drawn from two public universities. Quantitative and descriptive statistics were calculated from data collected through questionnaires.

The data processing included factor analysis, canonical analysis and multiple regressions (including correlation and regression coefficients). The researchers concluded that, of all the organization factors, only rewards were not significantly correlated with intrapreneurial competences. The aspect of human motivations was not a subject of the study.

The organizational factors that encourage intrapreneurial activity were surveyed in an Iranian study that focused on the national agricultural research organization of the country (Malek et al. 2013). The organizational factors included management, organization culture, rewards, strategy, communication systems, and control. A stratified random sample of 250 was taken from a population of 1145 agricultural research specialists spread throughout the country. The sampling started with the region, then the province and finally, the individual specialist. It was found, from the results of multiple regressions on data collected through a questionnaire, that control systems

had a negative influence on intrapreneurship. All the other factors in the study displayed a significant positive correlation with intrapreneurship. The R-square index indicated 56% likelihood that the occurrence of intrapreneurship would be explained by organizational factors. However, the research omitted human motivations and assumed a direct relationship between organization characteristics and intrapreneurship.

In Indonesia, Rojuaniah et al. (2016) investigated the factors that directly affect intrapreneurial behaviour in construction companies within the country. Like Arunga (2017), Malek et al. (2013) and other studies discussed here, Rojuaniah was concerned with various organizational factors, but also included personal traits as a single eighth factor in the study. After preliminary interviews, questionnaires were distributed to a sample of 150 middle level employees of the companies, 74% from medium sized companies and 26% from smaller companies.

Regression analysis on the data collected in Rojuaniah et al. (2016) led to a finding that all the 8 factors in the study were positively and significantly related to intrapreneurship within the companies. The research omitted particular human motivations. It also relied on the conceptual premise that both the organizational characteristics and the human traits directly influence intrapreneurship. This was at variance with the objectives of the current research.

Other existing studies concentrated on the human resource management practices and employee motivation can be used to predict innovation in private and public enterprises. In a cross-sectional survey of Small and Medium Enterprises (SMEs) in the Malaysian food and beverages sector, Abdullah et al. (2010) used a sample of 44 out of 50 companies from the Johor State of Malaysia where the industry is concentrated. The respondents were owners, managers and top administration personnel of the enterprises sampled. The results of multiple linear regression analysis indicated that the nature and quality of recruitment processes, selection and job security were significant predictors of innovation among staff. Participatory practices, time-related factors

and remuneration were found not to have any significant effect on innovation. In the current study the researcher notes that examination of the human resource management aspect alone does not clearly address the motivation variables of individuals as espoused by McClelland (1961) or Abraham Maslow in earlier studies. The Malaysian study also omitted the role of organizational characteristics as a moderator of the human resource-innovation relationship.

A study similar to Abdullah et al. (2010), with a focus on human resource management practices and the performance of governmental and intergovernmental international organizations, like the World Bank or the world trade organization, was done by El-Ghalayini (2017). The researcher noted that the importance of human resource management best practices is a private sector concept that can be adopted to benefit the public sector (Marchington & Wilkinson, 2015).

A huge inter-governmental organization in the essential public services sector was subjected to a cross-sectional survey, using a sample of 500 employees selected from various departments and functional units. Of the 500 selected, 46.8% responded. The data collected was analyzed by computing various averages, regression statistics, measures of reliability and significance. The research finally concluded that remuneration and other rewards have a significant positive correlation with employee motivation, their commitment, their loyalty and satisfaction at their jobs. It was further concluded in El-Ghalayini (2017) that training and development had no significant positive correlation with employee loyalty to the organization. The relationship was negative, with the R-square statistic calculated as 4.2%. However, this study too suffers the pitfall of lop-sided emphasis on human resource managerial practices, totally excluding other organizational characteristics, the employee-specific needs and the direct and indirect relationships between the variables which form the conceptual model of this proposal.

The consistent policy-based or custom-backed practices of an organization may be taken as part of that organization's characteristics. An extensive study of the practices which are vital for

innovation to take place in an organization were investigated by Sandra et al. (2017) in the context of a Brazilian information technology company called Softplan, a large trading enterprise which fabricates software for use in various sectors of an economy, with a profit motive. The research was exploratory and also descriptive.

The researchers considered, in their opinion, that for a technology company there are two key factors vital to its ability to innovate and therefore to its performance and efficacy. The first factor was identified as technological capacity. The second factor was called market orientation capacity.

Technological capacity is a wide expression which is used to describe the sum of resources needed to create and manage innovative solutions in the form of products, production processes, organization structures, physical facilities, project design and management (Miranda & Figueredo, 2010). Market orientation capacity is the alignment of organizational characteristics, competences, activities and relationships to the needs of customers (Murray et al., 2011). The Sandra (2017) study accordingly conceptualized a complex relationship - that organizational practices influence technological capacity and that technological capacity has an influence on market orientation which in turn influences technological capacity and finally that market orientation capacity and technological capacity together affect innovation.

The research therefore proceeded to try and identify the characteristic features of the organizational environment which promote innovations towards the two key factors. Data was collected by direct observation of the company's operations and by detailed interviews with five administrative and line business managers. The researchers also made use of published information regarding the company. The published information included, among other written sources, a record of previous electronic media interviews with the company directors. The data was then subjected to content analysis and other processing as necessary.

It was concluded by Sandra (2017) that the interplay of organizational practices and characteristics like culture, communication systems, amount and quality of human capital, commitment to the primacy of staff, a working system for free expression of ideas, existence of structures to support and exalt innovation as an essential part of operations, openness to ideas from outside the organization and external and internal collaborations were all strong factors underlying innovation in the software company. More particularly, the company had a department concerned with research and innovation. Creativity and innovation would be measured and rewarded upon a well-known set of criteria. This was apart from the availability and appropriate deployment of physical and financial and other vital resources. However the circumstances and nature of Softplan are substantially different from the Domestic Taxes Department of Kenya. To begin with, innovation is the core business of Softplan. It is also considered that soft plan was in business with a profit motive. In addition to that, the company was not under direct government control.

There is a wealth of critical academic reviews of research literature on the subject of intrapreneurship and corporate entrepreneurship. Brizek (2010) examined corporate entrepreneurship broadly from the viewpoint of the enterprise as a whole without delving into particular human motivations on individuals and the resultant intrapreneurial activities. Osabiya (2015) explored more than eight theories of motivation and above all emphasized that all motivation theories recognize the uniqueness of each human being and seek to establish a basis for predicting behaviour and instituting appropriate interventions to influence it. Ganta (2014) reviewed Herzberg's two factor theory and Maslow's Hierarchy of needs theory and concurred with the view that motivation is made of those 'psychological processes that cause arousal, direction and persistence of behaviour' as described by Ilgen & Klein (1988). None of the reviews disclosed or sought to discuss any previous studies on the moderating effect of organizational

characteristics on the direct relationship between specific human motivations and intrapreneurial behaviour in a large non-trading state corporation

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the various methods to be used in the research under the key sub-topics of, Research Design, Population of the study, Sampling methods, Data Collection and Data Analysis.

3.2 Research Design

A research design is the general approach to the research work with regard to the nature of the desired outcome. The choice of research design is determined by its orientation (or perspective): What the research is meant to achieve (its Purpose), the methods to be used and the time duration of the relevant data collection. There are many possible research designs arising from the various research perspectives - for instance descriptive, causal, survey, experimental, cross-sectional and longitudinal designs (Kimwomi, 2015).

A descriptive research design just seeks to show a picture of the situation as it is (Burns & Grove, 2003). The design is therefore recommended for use where the aim is to establish the factual relationships. According to Kimwomi (2015) a causal design aims to establish the cause-and-

effect links between the various variables in the study. A cross-sectional study collects data simultaneously from various sample units (Bryman& Bell, 2007). A particular study may combine two or more designs as appropriate. This research used the descriptive cross-sectional survey design.

3.3 Population of the study

The population of a study is made of all the items from which a sample is drawn. A clear definition and determination of the population size and composition determine the size of the sample and sampling methods preferred for the particular research.

The population of the current study comprised all employees of the Domestic Taxes Department (DTD) of the Kenya Revenue Authority (KRA). According to the KRA Human resources office the Domestic Taxes Department has a staff establishment of 2950 employees.

For the purposes of administration of the department (DTD) the country is divided into five regions, each with a regional head and a regional headquarters. The functions of the department are delegated by the head office in Nairobi to the regions. Employees are distributed to the five regions on need basis. There are two distinct cadres in the department – First there are technical staffs, which are specially trained in the tax law technicalities, formalities of tax collection and tax administration. Then there is the cadre of support services staff like human resource and administration, property management and Information and Communication Technology (ICT)

3.4 Sampling methods and sample size

Considering that the department is divided into five geographical regions spanning the whole country, and that employees exist in two broad cadres stratified random sampling was done accordingly. Each region accordingly made a stratum. And within each region random samples were picked from the two strata of employees in proportion to the size of each stratum. This was

done in order to ensure that the sample is not significantly biased. Saunders (2007) recommends a sample size of at least 30. The basic sample size in this research was 5.5% of the total population (2950), translating to 165, which leads to 33 from each of the five regions.

3.5 Data Collection

The planned and orderly gathering of information relevant to the research objectives and sub-topics is called data collection (Kothari et al., 2014). The data collection instruments and procedures are made to elicit the right information from all items of the sample.

This process may take various forms like face to face interviews, questionnaires and observations by the researcher depending on their perceived effectiveness, economy and propriety to the circumstances of the study.

In this research the data was collected by way of a questionnaire structured to avoid open-ended responses. The simple responses entailed a choice by ticking, to show the extent to which the respondent agrees or disagrees with specific statements in the questionnaire on the Likert scale of 1 to 5. The questionnaire was divided into four parts. Part A of the questionnaire was concerned with the demographics relating to the sample items (Age, gender and others). Part B concerns the 'Human motivations' variable as depicted by many of its indicators including risk-taking, need for achievement, need for power, the need for affiliation. Part C deals with the variable of 'intrapreneurial Behaviour' as indicated by the various events by which it can be measured – proactiveness, innovativeness, taking risks, customer orientation, collaboration, knowledge seeking and others. Part D deals with the Variable of 'Organizational Characteristics', for instance culture structure, communication channels, management and leadership styles and support, regulatory and control systems, strategies and industrial relations. The questionnaire was then administered by hand delivery, for the respondents to fill in, and thereafter collected back by the

same method. Hand delivery was preferred for being fast and likely to elicit a high rate of response

3.6 Data Analysis

The methods of data organization, presentation and analysis and the various measures or statistics calculated should be reliable, adequate and relevant to the research objectives in order to help arrive at accurate and valid conclusions. The data collected was tested for reliability and presented and organized in tables and charts and graphs. Descriptive statistics were computed, these including coefficients of correlation between and standard deviation as a measure of variability.

Multiple regression analysis, including ANOVA (Analysis of Variances) tests was done on account of the triple variable relationship on which the second objective was based. The assumptions of multiple regressions (Linearity, Normality, homoscedasticity and multicollinearity) were accordingly tested by choosing and computing appropriate statistics from the variety of existing options. The key indices calculated include mean scores, correlations (R) and coefficients of multiple regression. The coefficient of determination (R-square), and the F-statistic as measures of significance were also included to indicate the quantitative extent to which changes in the dependent variables can be explained by the independent variables.

Interpretation and conclusions followed from the statistics calculated and from other observations made after the analysis of data. The researcher was aware to the fact that the validity of the conclusions was dependent on the validity and quality of data, analysis of data and their relevance to the two objectives of this research

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter indicates the results of the study based on the collected data. The purpose of the study was to ascertain the relationship between human motivations, organizational characteristics and intrapreneurial behaviour in the domestic taxes department of the Kenya Revenue Authority. The study targeted 165 employees of the Domestic Taxes Department (DTD) of the Kenya Revenue Authority (KRA). Section one represents the demographic information, section two the descriptive statistics while section three has the inferential statistics using the linear regression analysis.

4.2 Response Rate

The researcher distributed 165 questionnaires to the employees of the Domestic Taxes Department (DTD), in an effort to gather appropriate data for the study. Out of 165 questionnaires, 97 were filled and returned. This represents 58.9% of the total. 68 questionnaires were never returned, which represents 41.1%. The response rate is relatively good, representative and satisfactory according to Mugenda & Mugenda (1999)

Table 4.1: Response Rate

Response Rate	Frequency	Percentage
Returned Questionnaires	97	58.9%
Unreturned Questionnaire	68	41.1%
Total	165	100%

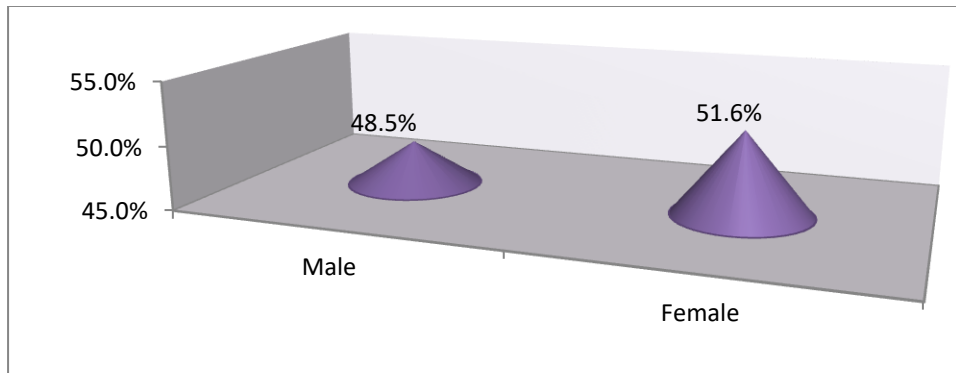
4.3 Demographic Data

The section seeks to present data findings on the various attributes of the interviewees based on their gender, age, job grade and educational level.

4.3.1 Gender of the Respondents

The study wanted to ascertain the gender distribution of the respondents. The findings are shown in Figure 4.1

Figure 4.1: Gender of the Respondents

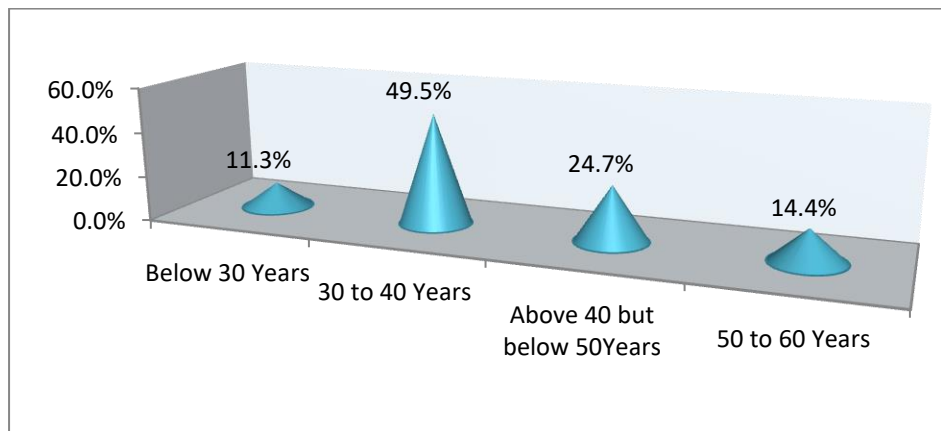


Based on the study findings in Figure 4.1 above majority of the respondents (51.6%) were female, while 48.5% were male. The results show there was evidence of minimal gender imbalance and that both genders participated almost equally.

4.3.2 Age of Respondents

The respondents were asked to specify their age cohort in the questionnaire and the results were summarized in the Figure 4.2

Figure 4.2: Age group of the Respondents

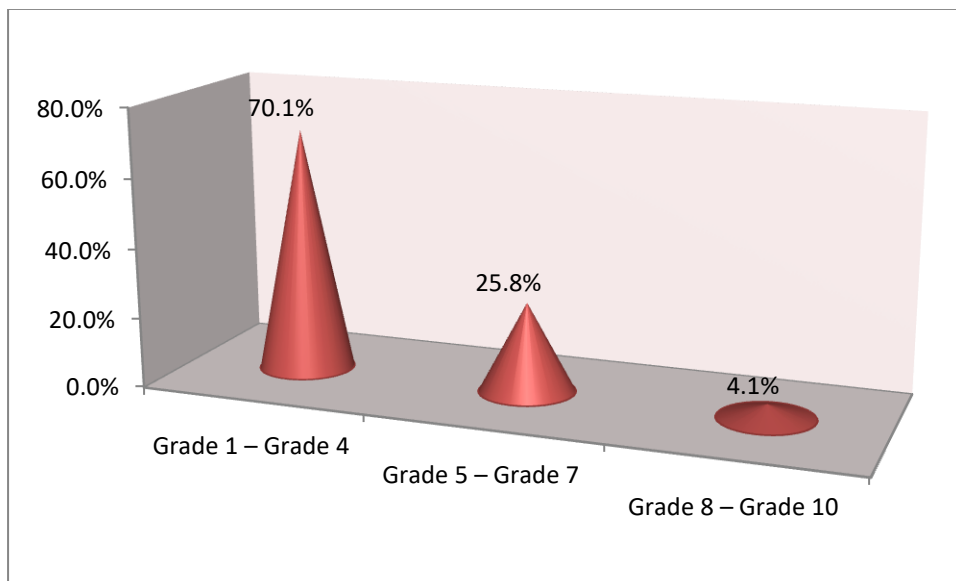


According to the study findings in Figure 4.2 above majority of the respondents (49.5%) were aged 30 to 40 years, 24.7% were aged above 40 but below 50years, 14.4% were aged between 50 to 60 years while 11.3% were below 30 years. This implies that majority of the respondents were old and thus higher experiences with regards to relationship between human motivations, organizational characteristics and intrapreneurial behaviour

4.3.3 Job Grade of the Respondents

The research sought to know the job grade of the respondents in their organization and the results are indicated below in Figure 4.3. below

Figure 4.3: Job Grade of the Respondents

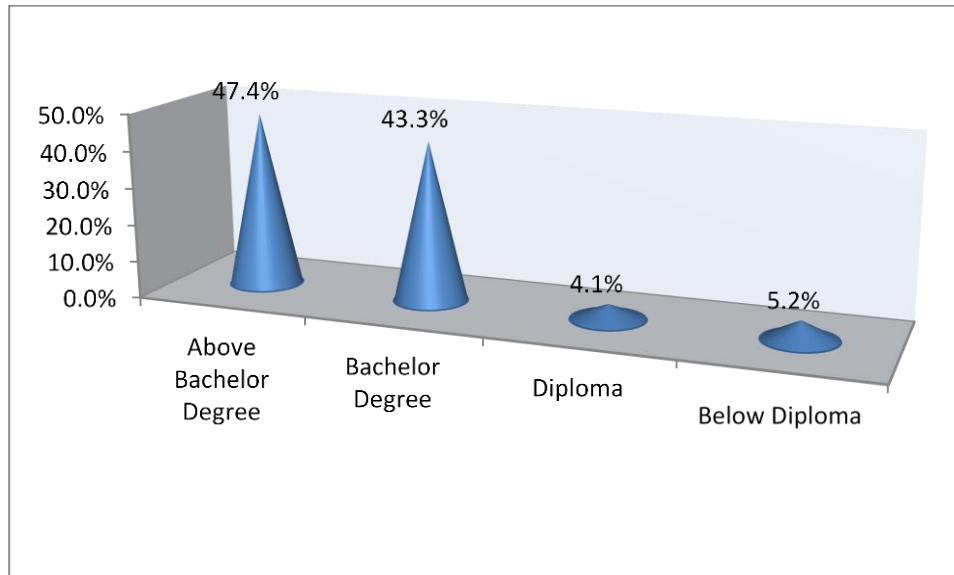


According to the study findings in Figure 4.3 above, majority of the respondents (70.1%) were in Grade 1 – Grade 4, 25.8% were in Grade 5 – Grade 7, while 4.1% were in Grade 8 – Grade 10.

4.3.4 Education Level

The respondents were asked to point out the highest education level they have attained and the responses are summarized as shown in figure 4.4 below

Figure 4.4: Highest Academic qualification of the Respondents



The study revealed that majority of the respondents (47.4%) had above bachelor Degree, 43.3% had Bachelor Degree, 5.2% had Below Diploma while 4.1% Diploma. The findings indicate that most respondents were educated, knowledgeable and more likely to give reliable information with regard to human motivations, organizational characteristics and intrapreneurial behaviour

4.4 Diagnostic Tests

There was a need to conduct diagnostic tests to establish whether the data satisfied 4 basic assumptions of multiple regressions before it was used to run a regression model. The assumptions include linearity, normality, homoscedasticity and freedom from multicollinearity and Autocorrelation. Both the Kolmogorov-Smirnov test and the Shapiro-Wilk test of normality were done. A variance management efficiency factor method was used to test for multicollinearity while the Durbin-Watson statistic was used to test for Autocorrelation. Heteroscedasticity/homoscedasticity was tested by computing the beta coefficients and the associated significance levels

4.4.1 Test of Linearity

Serial correlation test was done and as per the results it is clear that there is no correlation. The diagnostic results are found on Table 4.2 below

Table 4.2: Serial Correlation

Test	Statistic
Durbin Watson	1.998

Source: Research Findings

The Durbin Watson serial correlation test results as per Table 4.2 indicated the value to be 2.469 which is more than 2 implying that there is no serial correlation.

4.4.2 Normality Tests

In the proper application of the parameters of inferential statistics, the assumption of normality is tested. This is done to ascertain the extent of kurtosis and skewness. In this study the normality was tested by use of the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. The second method is more appropriate when the sample is small – less than fifty. When the result is below 0.05, then the distribution is slowly deviating from normality.

Table 4.3: Shapiro-Wilk Test of Normality

Variables	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Human motivation	0.288	97	0.331	0.747	97	0.401
Organization characteristics	0.364	97	0.331	0.656	97	0.401
Intrapreneurial behaviour	0.349	97	0.331	0.616	97	0.401

In accordance with the results, the Shapiro-Walk values were 0.401 for human motivation, Organization characteristics and intrapreneurial behaviour each. The Kolmogorov-Smirnov tested values were at 0.331 for each of the three variables - human motivations, organization characteristics and intrapreneurial behaviour. This means that the p-value is far greater than 0.05 and indicates normal distribution in each case.

4.4.3 Multicollinearity Test

The test for multi-collinearity is done to make an evaluation of whether the independent variables under the study are correlated between themselves. The Variance Inflation Factor (VIF) was used to make an evaluation of how the variables correlate and the level of variance associated with each variable as a result of the its correlation with other variables. Upon the application of the rule of the thumb, when the VIF is bigger than 10, then the problem of multicollinearity exists. The outcome of the multicollinearity tests is presented in Table 4.4 below.

Table 4.4: Variance Management efficiency Factor Test of Multicollinearity

	Collinearity Statistics	VIF
	Tolerance	
Human motivation	.500	2.000
Organization characteristics	.608	1.646
Intrapreneurial Behaviour	.242	2.083

4.4.4 Heteroscedasticity

Heteroscedasticity takes place when the error term of the variances is different across the observed data. The heteroscedasticity test is vital in examining the differences in the variances from one observation to the other (Godfrey, 1996).

In accordance with this case, the assumption made is that if the value > 0.05, then the problem of heteroscedasticity is not significant. The results for this test are presented in Table 4.5.

Table 4.5: Test for Heteroscedasticity

Model	Coefficients ^a				
	Unstandardized	Standardized		t	Sig.
	Coefficients	Coefficients			
B	Std. Error	Beta			
(Constant)	1.125	.012		3.856	.000
1 Human motivation	.096	.056	.112	0.258	.148
Organization characteristics	.174	.070	.145	0.463	.089

a. Dependent Variable: Intrapreneurial Behaviour

On the basis of this output, the values obtained > 0.05, hence there is no significant difference in the variation of dependent and independent variables that were tested

4.5 Human Motivations

The respondents were asked to point out the level to which they were in agreement with the aspects related to human motivations. The status of this variable was rated on a 5 point Likert scale ranging from; SA-strongly agree (5), A-Agree (4), PA-Partly agree (3), D-disagree (2), SD-strongly disagree (1). Results were presented below in Table 4.2.

Table 4.6: Human Motivations

Human motivation Indicators	Mean	Std. Deviation
Need for Achievement		
- Meeting my targets makes me happy even without rewards	4.072	0.982
- The amount of effort I put into my job is determined mainly by my salary		

	2.598	0.996
- Both successful and failed attempts are equally good to me	3.458	1.160
- A successful attempt is more important than the means used to achieve it		
	3.073	1.250
Risk taking Propensity		
- I am usually ready to violate the DTD procedures Provided it helps to achieve the DTD targets		
	2.237	1.058
Need for Autonomy		
- The best decisions are personal rather than collaborative	3.011	1.171
- I always take responsibility for my wrong decisions and actions	4.208	0.521
- The DTD should tell staff what to achieve, not how to achieve it	2.854	1.240
- It is bad to be supervised and directed all the way in the work processes	3.542	1.230
- I hate having to seek permission from my seniors even where I can decide on my own	3.000	1.273
Need for affiliation		
- I do not care whether my work colleagues like me or not	2.396	1.041
- Working in groups is a bad idea	2.083	0.959
Need for power		
- I prefer being led – it saves me time and trouble	2.385	1.019

Based on the study findings, majority of the respondents agreed that meeting their targets makes them happy even without rewards (mean=4.072). There was partial agreement that both successful and failed attempts are equally good to them (mean=3.458) and that a successful outcome is more important than the means used to achieve it (mean=3.073). Asked whether the amount of effort they put into their jobs is determined mainly by their salary, the respondents disagreed (mean=2.598). These results tend to indicate a moderately high need for achievement among staff.

There is also an indication that monetary rewards are not the main motivator to hard work among the employees. In addition, respondents agreed that they always take responsibility for their wrong decisions and actions (4.208) and partially agreed that it is bad to be supervised and directed all the way in the work processes (mean=3.542), that the best decisions are personal rather than collaborative (mean=3.011) and that they hate having to seek permission from their seniors even where they can decide on their own (mean=3.000). The foregoing responses imply that the employees have a moderate need for autonomy and moderate level of internal locus of control.

In spite of their need for autonomy, respondents disagreed on the statements that the DTD should tell staff what to achieve, not how to achieve it (mean=2.854). This suggests significant regard for orthodoxy. The respondents generally disagreed with the statement that they were usually ready to violate the DTD procedures provided the violation helped to achieve the DTD targets (mean=2.237, SD=1.058). This suggests a low propensity to take risks. The respondents also indicated to a low extent that they do not care whether their work colleagues like them or not (mean=2.396), and that Working in groups is a bad idea (mean=2.083). The foregoing observations tend to suggest a moderate level of need for affiliation. The employees' preference for being led was also tested and found to be moderate (mean=2.385). This implies a moderate need for power. In the overall, the three motivational needs conceptualized by McClelland (1961) – need for achievement, need for affiliation and the need for power - were all found to be moderate among the employees of the DTD

4.6 Organizational Characteristics

The respondents were asked to point out the level to which they agreed with the many statements made concerning various aspects of organizational characteristics. The responses regarding this variable were rated on the 5-point Likert scale ranging from; SA-strongly agree (5), A-Agree (4),

PA-partly agree (3), D-disagree (2), SD-strongly disagree (1). Results were presented as shown in Table 4.3 below:

Table 4.7: Organizational Characteristics

Organizational characteristics indicators	Mean	Std. Deviation
Culture		
- I can readily state the KRA mission and vision	3.814	1.121
- Fairness and transparency are very common practices in the DTD	3.402	1.096
Structure		
- The DTD chain of command is too long	3.454	1.233
- The various DTD programmes (Debt, Taxpayer services, Compliance) do not really collaborate	3.217	1.192
Fairness		
- The KRA employee performance appraisal method is fair and accurate	2.918	1.057
- DTD staff are rewarded purely on merit and in a transparent process well known to all staff	2.010	0.984
Tolerance for ambiguity		
- Using a procedure not prescribed by the DTD is likely to attract disciplinary action	4.052	0.882
Communication channels		
- Communication channels in the department are open, convenient and effective	2.969	1.075
Policy-objectives alignment		
- The rules and regulations of the DTD are well aligned to its objectives and strategies	3.361	0.868

Management support

- DTD Managers always support and encourage innovative ideas and activities among staff 3.021 1.000

Innovation Functional area

- The DTD has a well-known and effective office of creativity and innovation 2.546 1.021
- I know the DTD's definition of creativity and innovation 2.711 1.301
- I know how the DTD measures creativity and innovation 2.103 1.015

Staff welfare

- There are clear and effective channels by which DTD employees express their job-related grievances 2.722 1.068
- The welfare of staff is among the top priorities of DTD 2.639 1.209

Technologies used

- The technologies used in the DTD are quite appropriate and up to date 3.392 0.861
 - The iTax system is easy to use, efficient and effective 3.722 0.955
-

From the findings, respondents partly agreed that they can readily state the KRA mission and vision (mean=3.814) and that fairness and transparency are very common practices in the DTD (mean=3.402). The vision, mission and fairness and transparency are important aspects of organizational culture. The results indicate that the employee awareness of the prevailing culture is above moderate. The technologies used in the DTD are quite appropriate and up to date (mean=3.392). The iTax system is easy to use, efficient and effective (mean=3.722). iTax is the computer based system used in the core business of tax collection. Therefore, according to the employees' responses, the propriety of the technologies used in the department is above moderate.

It was also found that the DTD Managers always support and encourage innovative ideas and activities among staff to a moderate expense (mean=3.021). Respondents partly agreed that the

rules, regulations objectives and strategies of the DTD are well aligned to each other (mean=3.361).

However, there are aspects of organizational characteristics which, according to the respondents, are more than moderately constraining. Most of the respondents agreed that using a procedure not prescribed by the DTD is likely to attract disciplinary action (mean=4.052). This means that the organization's tolerance for ambiguity is quite low. The DTD chain of command is too long (mean=3.454) and the various DTD programmes (Debt, Taxpayer services, Compliance, etc) do not really collaborate (mean=3.217) – an indication of substantial bureaucracy and strong boundaries between various functional areas of the department. Communication channels in the department are open, convenient and effective (mean=2.969). Matters related to fairness and staff welfare also indicated relatively low mean scores. KRA employee performance appraisal method is fair and accurate (mean=2.918), DTD staff are rewarded purely on merit and in a transparent process well known to all staff (mean=2.010), there are clear and effective channels by which DTD employees express their job-related grievances (mean=2.722) and the welfare of staff is among the top priorities of DTD (mean=2.639). The existence and efficacy of a distinct innovation functional area within the department also received low mean scores as shown by the responses - the DTD has a well-known and effective office of creativity and innovation (mean=2.546), Knowledge of the DTD's definition of creativity and innovation (mean=2.711) and knowledge of how the DTD measures creativity and innovation (mean=2.103).

4.7 Intrapreneurial Behaviour

The respondents were asked to indicate the level to which they agreed with various statements made concerning various aspects of intrapreneurial behaviour. The responses concerning this variable were rated on the 5-point Likert scale ranging from; SA-strongly agree (5), A-Agree (4),

PA-Partly agree (3), D-disagree (2), SD-strongly disagree (1). Results were presented in Table 4.4 below

Table 4.8: Intrapreneurial Behaviour

Intrapreneurial behavior indicators	Mean	Std. Deviation
Innovativeness		
- Many of my creative ideas have been implemented by the DTD	2.400	0.904
Pro-activeness		
- I often take actions and volunteer ideas without being prompted	3.719	0.937
Taking risks		
- Sometimes I act against the employer's rules in order to achieve the employer's goals	2.479	1.056
Collaboration		
- I always seek help and joint effort with the most suitable work colleagues	4.156	0.886
Knowledge seeking		
- Our work instructions and procedures are very clear - I rarely seek to know more	2.542	1.114
Opportunity seeking		
- I always try to identify and officially recommend ways to improve the DTD processes	3.635	0.860
Timeliness		
- My actions at work are always in time	3.583	0.867
Customer orientation		
- My decisions and actions always consider the best interests of the taxpayer	3.711	0.816

According to the findings tabulated above, most of the measures of intrapreneurial behaviour in the study attained more than moderate rating (Mean=3.0). Majority of the respondents agreed that they always seek help and joint effort with the most suitable work colleagues. This is called collaboration - (mean=4.156), that they often take actions and volunteer ideas without being prompted – pro-activeness - (mean=3.719).

The respondents also indicated that their decisions and actions always consider the best interests of the taxpayer – Customer orientation - (mean=3.711), that they always try to identify and officially recommend ways to improve the DTD processes – opportunity seeking - (mean=3.635) and that their actions at work are always in time - timeliness (mean=3.583). However, some of the measures received less than moderate rating by the respondents – The work instructions and procedures are very clear (it is rarely necessary to seek more knowledge) – knowledge seeking propensity (mean=2.542), acting against the employer’s rules in order to achieve the employer’s goals – risk taking (mean=2.479) and getting creative ideas implemented by the DTD – innovativeness (mean=2.400).

4.8 Regression Analysis

The relationship between human motivations, organization characteristics and intrapreneurial behaviour among employees of the Kenya Domestic Taxes department was tested using the following regression model

Table 4.9: Relationship between Human motivations and Intrapreneurial Behaviour

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.355 ^a	.126	.116	3.88561		
a. Predictors: (Constant), Human Motivations						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	200.096	1	200.096	13.253	.000 ^b

Residual	1,434.31	95	15.098		
Total	1,634.406	96			
a. Dependent Variable: Intrapreneurial behaviour					
b. Predictors: (Constant), Human Motivations					
Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	21.859	2.450	8.920	.000
	Human Motivations	.226	.062	.355	.000
a. Dependent Variable: Intrapreneurial behaviour					

The results in Table 4.5 show that the direct correlation between human motivations and intrapreneurial behaviour has a low index ($R=.355$). This translates to 35.5% correlation. The coefficient of determination is also low ($R^2=0.126$, $F=13.253$, $P<0.05$). This is equivalent to 12.6%, meaning that that 87.4% of the variations in intrapreneurial behaviour are not a direct effect of human motivations. Overall F statistics was ($F = 13.253$) this shows that there exists a positive correlation and the slope of the population regression line is not zero.

Using the statistical findings, the regression model, $Y = \beta_0 + \beta_1 X_1 + \epsilon$, can then be substituted as follows; $Y = 21.859 + 0.226X_1$. The beta value implies that for a one-unit increase in human motivations, the intrapreneurial behaviour among employees' increases by 0.226. This, therefore, confirms that human motivations have a positive influence on the intrapreneurial behaviour among employees of the DTD

Table 4.10: Regression Results from the Test of the Effect of Human Motivations on Organization Characteristics

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.480 ^a	.230	.222	3.66246	
a. Predictors: (Constant), Human motivations					
ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	373.331	1	373.331	27.832	.000 ^b
	Residual	1274.33	95	13.414		
	Total	1647.661	96			
a. Dependent Variable: Organization Characteristics						
b. Predictors: (Constant), Human motivations						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	20.166	2.013		10.017	.000
	Organization Characteristics	.201	.038	.480	5.276	.000
a. Dependent Variable: Organization Characteristics						

The results presented in Table 4.6 above indicate that human motivation factors had a positive effect on organization characteristics ($R=.48$, $P < 0.05$). This translates to a moderate correlation of 48%. $R^2=0.230$, $F=27.832$ and $p < 0.05$. The adjusted R-Square (0.222) suggests that only 22.2% of the variations in organizational characteristics arise from the correlation with human motivations. The indication therefore is that 77.8% of the any variations in organizational characteristics are not be explained by human motivations.

Table 4.11: Regression Results Depicting Effect of Organization Characteristics on the Relationship between Human Motivations and Intrapreneurial Behaviour

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.603 ^a	.363	.349	3.33515		
a. Predictors: (Constant), Human motivations, Organization Characteristics						
ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	576.896	2	288.448	25.932	.000 ^b
	Residual	1045.562	94	11.123		
	Total	1622.458	96			
a. Dependent Variable: Intrapreneurial behaviour						
b. Predictors: (Constant), Human motivations, Organization Characteristics						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		

1	(Constant)	11.417	2.765		4.130	.000
	Human motivations	.225	.053	.353	4.223	.000
	Organization Characteristics	.202	.035	.487	5.820	.000
a. Dependent Variable: Intrapreneurial behaviour						

The results in Table 4.7 indicate that human motivations and organization characteristics had a greater than moderate positive relationship with intrapreneurial behaviour of employees of the DTD as indicated by the correlation index (R) of 0.603.

The R-square statistic of 0.349 suggests that only 34.9% of the changes in intrapreneurial behaviour can be attributed to organizational characteristics and human motivations together. This triple relationship is therefore of moderate significance. The remaining 65.1% of the changes in intrapreneurial behaviour is attributable to other factors. However, the relationship between the three variables was be significant according to the F value of 25.932 and the p value of 0.000 which is less than threshold level of 0.005. Further, it was established that holding human motivations and organization characteristics constant will leads to a constant measure of intrapreneurial behaviour equal to 11.417 units. A unit increase of human motivations while holding organization characteristics constant will led to an increase in intrapreneurial behaviour of 0.225 while a unit increase of organization characteristics while holding human motivations constant will led to an increase in intrapreneurial behaviour of 0.202.

The introduction of organizational characteristics in the regression increases both the correlation coefficient (R) - from 35.5% to 60% - and the Coefficient of determination (R-Square) - from 12.6% to 34.9%. Organization characteristics are accordingly found to have a moderating effect on the relationship between human motivations and intrapreneurial behaviour among employees of Kenya Domestic Taxes Department.

Table 4.12: Relationship between Organizational characteristics and Human motivations

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.014 ^a	.000	-.010	.50694		
a. Predictors: (Constant), Organizational Characteristics						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.005	1	.005	.018	.895 ^b
	Residual	24.414	95	.257		
	Total	24.419	96			
a. Dependent Variable: Human Motivations						
b. Predictors: (Constant), Organizational Characteristics						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.965	.276		10.761	.000
	organizational characteristics	.012	.088	.014	.133	.895
a. Dependent Variable: Human Motivations						

The results in Table 4.12 indicate that organizational characteristics (as a predictor) had a very weak positive relationship with human motivations of employees at DTD (as a dependent variable). This is indicated by the correlation coefficient (R) of 0.014. The relationship is not significant, as indicated by the F value of 0.018 and the p value of 0.895 which is greater than the significance level of 0.005.

Table 4.13: Relationship between Organizational characteristics and intrapreneurial behaviour

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.509 ^a	.260	.252	.44076		
a. Predictors: (Constant), Organizational Characteristics						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.

	Regression	6.468	1	6.468	33.294	.000 ^b
1	Residual	18.455	95	.194		
	Total	24.923	96			

a. Dependent Variable: Intrapreneurial Behaviour

b. Predictors: (Constant), Organizational Characteristics

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	1.939	.240		8.092	.000
	organizational characteristics	.444	.077	.509	5.770	.000

a. Dependent Variable: Intrapreneurial Behaviour

The results in Table 4.13 indicate that organizational characteristics had a moderate positive relationship with intrapreneurial behaviour of employees at the DTD as indicated (R= 0.509). The adjusted R-Square is 0.252, implying that 25.2% of the variation in intrapreneurial behaviour is explainable by its direct relationship with organizational characteristics. This indicates a fairly low level of significance in the relationship. However, the F value of 33.294 indicates a significant relationship, with the p value of 0.000 which is less than the threshold of level 0.005.

4.9 Discussion of Findings

The human motivations – need for achievement, need for affiliation and the need for power – as stated in three needs theory of McClelland (1961) were all found to be moderate among employees of the DTD. Among the various measures of human motivation, the employees' propensity to take risks is lowest (Mean=2.237). Apparently, salaries (Mean2.598) are not a dominant motivator

From the viewpoint of intrapreneurial behaviour, five of the organizational characteristics appear to be moderately enabling (Mean>3.000). These include organizational culture, organizational structure, alignment of policies and objectives, Management support and technologies used (iTax in particular received a mean score of 3.7 out of a possible maximum of 5 on the Likert scale). The

other five characteristics include fairness, communication channels, staff welfare, innovation functional area and the level of tolerance for ambiguity. From the findings of the study, these latter characteristics appear to be less enabling (mean score < 3.000). The low level of tolerance for ambiguity (not sticking to orthodoxy is likely to attract disciplinary action (Mean = 4.052)) is the most constraining.

The findings indicate that DTD employees are significantly intrapreneurial with collaboration, pro-activeness, opportunity seeking, time consciousness and customer orientation scoring more than moderate (Mean > 3.000). However, innovativeness, risk taking and knowledge seeking appear constrained (Mean < 3.000). The high aversion to risk (mean = 2.479) appears to correlate directly with the organizational characteristic of intolerance to ambiguity (mean = 4.052) as described above.

The results of the various regressions between the three variables of the study, as summarized in chapter 5, indicate varying degrees of positive correlation and significance. The correlation indices are generally low but the triple relationship between human motivations and organizational characteristics (predictors) and intrapreneurial behaviour (dependent variable) depicts the highest correlation ($R=0.603$) while the direct relationship between organizational characteristics (predictor) and human motivations (dependent variable) portrays the lowest correlation ($R=0.014$). The moderating effect of organizational characteristics on the relationship between human motivations and intrapreneurial behaviour is therefore quite evident from a comparison of the correlation coefficients after introducing organizational characteristics as a third variable in the regression between human motivations and intrapreneurial behaviour.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study was undertaken with two key objectives in mind. The first objective was to determine the direct relationship between human motivations and intrapreneurial behaviour among employees of the Domestic Taxes Department (DTD) of the Kenya Revenue Authority (KRA). The second objective was to determine the relationship between human motivations, organization characteristics and intrapreneurial behaviour among employees of the DTD. This chapter presents a summary of major findings of the study, conclusions and recommendations made

5.2 Summary of findings

The findings on human motivations are summarized on the basis of McClelland's classification of human needs into three categories – the need for achievement, the need for affiliation and the need for power (McClelland, 1961). According to the data in figure 4.6, the respondents indicated (on the scale of 1-5) that they were highly motivated by their targets, moderately ready to try in spite of the prospect of failure, moderately results oriented, and that salaries are not their major motivator. All these inclinations indicate a moderate need for achievement in the DTD employees. In addition, respondents agreed that they always take responsibility for their wrong decisions and actions, but partially agreed that intensive supervision is bad, that the best decisions are personal rather than collaborative and that having to seek permission from their seniors is often unnecessary. The foregoing responses imply that the employees have moderate need for autonomy and moderate internal locus of control. Other responses indicated low risk taking propensity, moderate need for affiliation and moderate need for power among the employees

The measures (indicators) of intrapreneurial behaviour in this study were selected from the descriptions of McClelland (1961) in his three needs theory of motivation. On the Likert scale of 1-5 the respondents returned a more than moderate rating (Mean>3.000) on most of the indicators

– Collaboration, Pro-activeness, Customer-orientation, Opportunity seeking and time consciousness. However, some of the measures were found to be less than moderate (Mean<3.000) - the results indicated that the employees are risk-averse, less than moderately innovative and less than moderately curious for more knowledge

From the data in table 4.7 four out of ten indicators of organizational characteristics obtained a rating of at least moderate (Mean>3.000) on the Likert Scale (1-5). These include employee awareness of the prevailing culture, the technologies used in the department (in terms of currency and efficacy), Management support for intrapreneurial behaviour and alignment of rules, regulations, objectives and strategies of the DTD. However, the other six indicators of organizational characteristics were rated as more than moderately constraining on intrapreneurial behaviour (Mean<3.000) – This category was made of the organization’s high intolerance for ambiguity, a bureaucratic structure and strong boundaries between various functional areas of the department, partially effective channels of communication, fairness and staff related matters (appraisal, reward systems, welfare and ventilation of grievances) and finally existence and efficacy of an innovation functional area

Tests of the assumptions of multiple regression revealed linearity (linear relationships) and normal distribution of the data collected. The tests also revealed no multi-collinearity and no heteroscedasticity. So the data was used in the regression analysis to obtain the results tabulated below.

Table 5.1: Summary of Regression Results depicting correlations and measures of significance

Regression Variables	Correlation index (R)	R-Square	F statistic
Human motivations (Predictor); Intrapreneurial behavior (Dependent variable)	0.355	0.126	13.253
Human motivations (predictor); organizational characteristics (Dependent variable)	0.480	0.230	27.832
Human motivations, organizational characteristics (Predictors); Intrapreneurial behavior (Dependent variable)	0.603	0.363	25.932
Organizational characteristics (Predictor); Human motivations (Dependent Variable)	0.014	0.000	0.018
Organizational characteristics (Predictor); Intrapreneurial behavior (Dependent variable)	0.509	0.260	33.294

Using the general regression model, $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$ and substituting the beta (β) coefficients of human motivations, X_1 , and organizational characteristics, X_2 , then intrapreneurial behaviour (Y) can be predicted using the regression equations tabulated below:

Table 5.2: Summary of equations depicting results of various regressions

Regression Variables	Regression equations
X_1 (predictor); Y (dependent variable) – see table 4.9	$Y = 21.859 + 0.226X_1$.
X_1 (predictor); X_2 (Dependent variable) – see table 4.10	$X_2 = 20.166 + 0.201 X_1$
X_1 & X_2 (predictors); Y (Dependent) – see table 4.11	$Y = 11.417 + 0.225 X_1 + 0.202X_2$
X_2 (predictor); X_1 (Dependent variable) – see table 4.12	$X_1 = 2.965 + 0.012 X_2$

X ₂ (predictor); Y (dependent variable) – see table 4.13	Y=1.939+0.444 X ₂
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5.3 Conclusion

From the the statistics in table 5.1 the study concludes that human motivations have a positive influence on intrapreneurial behaviour among employees of the Domestic Taxes department of the Kenya Revenue Authority. The two variables have a moderate direct correlation (R=35.5). Organizational characteristics have a strong moderating effect on the relationship between human motivations and intrapreneurial behaviour. This is quite apparent because the relationship between the three variables has an enhanced positive correlation which is also more significant (R=0.603, R-Square=0.363). The triple relationship between human motivations and organization characteristics and intrapreneurial behaviour of employees of the DTD is significant according to the F value of 25.932 and the p value of 0.000 which is less than threshold level of 0.005. It is also noted that the direct correlation between Oganizational Characteristics and Intrapreneurial Behaviour (R=0.509, R-Square=0.260) is stronger and more significant than the direct correlation between human motivations and Intrapreneurial behaviour (R=0.355, R-Square=0.126). However, the low values of R-square (0.126 or 12.6% for the direct relationship between human motivations and intrapreneurial behaviour and 0.363 or 36.3% for the triple relationship including organizational characteristics) is an indicator that random factors (factors apart from human motivations and organizational characteristics) play an important role in the determination of intrapreneurial behaviour among employees of the DTD.

The regression coefficients in Table 5.2 indicate varying degrees of sensitivity of intrapreneurial behaviour to changes in human motivations and organizational characteristics. In the direct relationship between human motivations and intrapreneurial behaviour ($Y = 21.859 + 0.226X_1$) a unit increase in human motivations (X_1) makes intrapreneurial behaviour (Y) to increase by 0.226

units. But there is a constant amount (21.859 units) of Y which is not dependent on human motivations.

In the triple relationship ($Y=11.417+0.225X_1+0.202X_2$), when other factors are held constant, a unit change in Human motivations (X_1) or organizational characteristics (X_2) makes the intrapreneurial behaviour to change by 0.225 or 0.202 respectively. The figure of 11.417 in the model represents a constant amount of Intrapreneurial behaviour which does not depend on X_1 or X_2

5.4 Limitations of the study

The main limitation was that the individuals in the sample were non-committal on when they would provide responses or whether they would respond at all. This was partly due to time pressure and the fear of confidentiality violation. The researcher had to make repeated confidentiality pledges and persuasive efforts to obtain voluntary responses to the extent of greater than 50%. The travelling necessary because of the wide geographical spread of the population sample also aggravated the costs of the study.

5.5 Policy Recommendations

The study found in the overall that the organizational culture, the technologies used in the department (DTD), Management support, and alignment of rules, regulations, objectives and strategies of the DTD were at least moderately supportive of intrapreneurial behaviour (Mean>3.000) on the Likert of 1-5. The technologies used in general were rated above moderate (Mean=3.392, SD=0.861). The iTax system in particular was described as easy to use, efficient and effective (Mean=3.722, SD=0.955). It is recommended that the department pays special attention to these areas with a view of ensuring that their positive influence on innovativeness does not decline

The research also recommends that the DTD takes steps to improve on those measures of organizational characteristics, human motivations and their correlation which appear to work against intrapreneurial behaviour. There is one possible practical approach to this - research. Bigger and more detailed studies are necessary to determine why the organizational aspects related to fairness of appraisal, staff rewards, staff welfare, the innovation functional area, tolerance for ambiguity and autonomy were rated below moderate on the scale of 1-5 (Mean<3.000). The findings of such studies will inform appropriate policy measures to enhance creativity and innovativeness among staff.

5.6 Recommendation of areas for further research

The research recommends new studies to determine the influence of social needs and economic needs of individuals on the relationship between organizational characteristics and intrapreneurial behaviour of staff in non-trading state enterprises in Kenya

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APPENDIX 'A'
RESEARCH QUESTIONNAIRE

This Questionnaire is for academic purposes only

Do not disclose your name on the questionnaire

Please give your responses by **ticking** in the appropriate Box

Your responses as an individual will be treated with utmost secrecy

PART A: DEMOGRAPHIC INFORMATION

1. Gender

TICK in the appropriate Box

Male	<input type="checkbox"/>
------	--------------------------

Female	<input type="checkbox"/>
--------	--------------------------

2. Age group

TICK in the appropriate Box

Below 30 Years	<input type="checkbox"/>
----------------	--------------------------

30 to 40 Years	<input type="checkbox"/>
----------------	--------------------------

Above 40 but below 50Years	<input type="checkbox"/>
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50 to 60 Years	<input type="checkbox"/>
----------------	--------------------------

Above 60 Years	
----------------	--

3. Job Grade **TICK in the appropriate Box**

Grade 1 – Grade 4	
Grade 5 – Grade 7	
Grade 8 – Grade 10	

4. Highest Academic Qualification

Below Diploma	
---------------	--

Diploma	
---------	--

Bachelor Degree	
-----------------	--

Above Bachelor Degree	
-----------------------	--

PART B: HUMAN MOTIVATIONS

TICK in the appropriate Box

<i>Strongly Agree</i>	<i>Agree</i>	<i>Partly agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
-----------------------	--------------	---------------------	-----------------	--------------------------

1	Meeting my targets makes me happy even without rewards					
---	--	--	--	--	--	--

2	The amount of effort I put into my job is determined mainly by my salary					
---	--	--	--	--	--	--

TICK in the appropriate Box

<i>Strongly Agree</i>	<i>Agree</i>	<i>Partly agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
-----------------------	--------------	---------------------	-----------------	--------------------------

3	I am usually ready to violate DTD procedures Provided it helps to achieve the DTD targets					
---	---	--	--	--	--	--

4	The best decisions are personal, not collaborative					
---	--	--	--	--	--	--

5	I always take responsibility for my wrong decisions and actions					
---	---	--	--	--	--	--

6	The DTD should tell staff what to achieve, not how to achieve it					
---	--	--	--	--	--	--

7	It is bad to be supervised and directed all the way in the work processes					
---	---	--	--	--	--	--

8	I hate having to seek permission from my seniors, even where am able to decide on my own					
---	--	--	--	--	--	--

9	Both successful and failed attempts are equally good to me					
---	--	--	--	--	--	--

10	A successful outcome is more important than the means used to achieve it					
----	--	--	--	--	--	--

11	I do not care whether my work colleagues like me or not					
----	---	--	--	--	--	--

TICK in the appropriate Box

<i>Strongly Agree</i>	<i>Agree</i>	<i>Partly agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
-----------------------	--------------	---------------------	-----------------	--------------------------

12	Working in groups is a bad idea					
----	---------------------------------	--	--	--	--	--

13	I prefer being led – it saves me time and trouble					
----	---	--	--	--	--	--

PART C: INTRAPRENEURIAL BEHAVIOUR

14	Many of my creative ideas have been implemented by the DTD					
----	--	--	--	--	--	--

15	I often take actions and volunteer ideas without being prompted					
----	---	--	--	--	--	--

16	Sometimes I act against the employer's rules in order to achieve the employers goals					
----	--	--	--	--	--	--

17	I always seek help and joint effort with the most suitable work colleagues					
----	--	--	--	--	--	--

18	Our work instructions and procedures are very clear - I rarely seek to know more					
----	--	--	--	--	--	--

19	I always try to identify and officially recommend ways to improve the DTD processes					
----	---	--	--	--	--	--

20	My actions at work are always in time					
----	---------------------------------------	--	--	--	--	--

TICK in the appropriate Box

<i>Strongly Agree</i>	<i>Agree</i>	<i>Partly agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
-----------------------	--------------	---------------------	-----------------	--------------------------

21	My decisions and actions always consider the best interests of the taxpayer					
----	---	--	--	--	--	--

PART D: ORGANIZATIONAL CHARACTERISTICS

22	I can readily state the KRA mission and vision					
----	--	--	--	--	--	--

23	Fairness and transparency are very common practices in the DTD					
----	--	--	--	--	--	--

24	The DTD chain of command is too long					
----	--------------------------------------	--	--	--	--	--

25	The various DTD programmes (Debt, Taxpayer services, compliance, etc) do not really collaborate					
----	---	--	--	--	--	--

26	The employee performance appraisal method is fair and accurate					
----	--	--	--	--	--	--

27	Staff are rewarded purely on					
----	------------------------------	--	--	--	--	--

	merit and in a transparent process well known to all staff					
--	--	--	--	--	--	--

TICK in the appropriate Box

<i>Strongly Agree</i>	<i>Agree</i>	<i>Partly agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
-----------------------	--------------	---------------------	-----------------	--------------------------

28	Using a procedure not prescribed by the DTD is likely to attract disciplinary action					
----	--	--	--	--	--	--

29	Communication channels in the DTD are open, convenient and effective					
----	--	--	--	--	--	--

30	The rules and regulations of the DTD are well aligned to its objectives and strategies					
----	--	--	--	--	--	--

31	DTD Managers always support and encourage innovative ideas and activities among staff					
----	---	--	--	--	--	--

32	The DTD has a well known and effective office of creativity and innovation					
----	--	--	--	--	--	--

33	I know the DTD's definition of creativity and innovation					
----	--	--	--	--	--	--

34	I know how the DTD measures creativity and innovation					
----	---	--	--	--	--	--

35	There are clear and effective channels by which DTD employees express their job-related grievances					
----	--	--	--	--	--	--

TICK in the appropriate Box

<i>Strongly Agree</i>	<i>Agree</i>	<i>Partly agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
-----------------------	--------------	---------------------	-----------------	--------------------------

36	The welfare of staff is among the top priorities of the DTD					
----	---	--	--	--	--	--

37	The technologies used in the DTD are quite appropriate and up to date					
----	---	--	--	--	--	--

38	The iTax system is easy to use, efficient and effective					
----	---	--	--	--	--	--