

The effect of corporate entrepreneurship on the performance of the edible oil manufacturing firms in Kenya

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Corporate entrepreneurship has been recognized as an effective strategy by which to improve enterprise performance (growth and profitability) and as a result corporate managers are unanimous in making their employees and organizations more entrepreneurial. However, the challenge of management is to create a supportive environment that attracts, motivates and retains intrapreneurs, instill a culture of innovation where employees are empowered to pursue dreams and to fail without retribution. There is adequate empirical literature linking corporate entrepreneurship to organizational performance. The purpose of the study was to determine the effects of corporate entrepreneurship on performance of the oil manufacturing firms in Kenya. The study used a descripto-explanatory research design. The study covered a sample of 214 drawn from a population of 498 employees of BIDCO Oil Refineries and KAPA Oil Refineries. The sample was determined through proportionate stratified simple random sampling approach. A semi-structured questionnaire was used to collect primary data. Content analysis was used to analyze qualitative data. Quantitative data was analyzed using descriptive (mean) and inferential statistics (T-tests, correlation and regression). The study revealed that corporate entrepreneurship is a common phenomenon in the edible oil manufacturing firms with consequent positive effect on performance. BIDCO had more pronounced deliberate efforts to promote and stimulate corporate entrepreneurship as compared to KAPA. The two firms had formulated and implemented a number of strategies to stimulate and promote corporate entrepreneurship among employees. The study revealed a strong and positive correlation between corporate entrepreneurship strategies and organizational performance with a correlation coefficient of 0.661. All the major corporate entrepreneurship practices in both firms received above average rating with resource availability and management support receiving highest rating. The study revealed a strong and positive correlation between corporate entrepreneurship practices and organizational performance at 0.686. Employee entrepreneurial behaviour; measured through individual motivation, risk taking, innovativeness and proactiveness had positive and significant correlation with organizational performance at 0.487. All the attributes of organizational performance received above average rating, though BIDCO experienced significantly higher performance than KAPA. The level of corporate entrepreneurship was high in BIDCO as compared to KAPA though both firms had experienced improved organizational performance.

The study established a strong linkage between corporate entrepreneurship and organizational performance at 0.000 significance level; implying that companies with high entrepreneurial intensity experience better performance than those that do not. From the study findings, it was clear that corporate entrepreneurship was a common phenomenon in both firms with deliberate efforts to promote and stimulate it amongst employees. However, there was more intrapreneurial intensity in BIDCO as compared to KAPA. The results imply that corporate entrepreneurship had immensely contributed to organizational performance in the two firms, as demonstrated by the positive linkage between all the three independent variables and organizational performance. Managers should develop deliberate systems and programmes to promote, stimulate and institutionalize corporate entrepreneurship as a normal organizational practice. Efforts should include provision of appropriate performance-based rewards and recognition, allowing employees time off their officially assigned tasks to work on innovative ideas and projects, improving organization-wide communication to enhance sharing of ideas and working in teams on innovative projects.