IMPACT OF CORPORATE ENTREPRENEURSHIP STRATEGY ON GROWTH OF BUSINESS ORGANISATIONS: A CASE OF SAFARICOM LIMITED

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________  Date: __________________________

Janet K. Mutuku (ID: 644591)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: __________________________  Date: __________________________

Prof. Paul Katuse

Signed: __________________________  Date: __________________________

Dean, School of Business
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DEDICATION

I dedicate this project to my husband, parents and siblings, for their love and support during the course of this study.
ACKNOWLEDGMENT

I would like to express my gratitude to my supervisor Prof. Paul Katuse for his invaluable advice. His immense support and guidance has given me continuous inspiration which without, this project could not have been completed. I also wish to appreciate Safaricom (K) Limited staff for participating in the study and to my classmates for challenging me every step of the way.
ABSTRACT

The aim of the study was to examine impact of corporate entrepreneurship strategy on growth of business organisations focusing on Safaricom (K) Limited. The study aimed at answering the following research questions: what is the effect of innovation on business organizations? What is the effect of risk taking on business organizations? What is the effect of proactiveness on business organizations?

The research methodology adopted was the descriptive research method. It focused on three groups namely middle and upper level management and operatives for Safaricom (K) Limited departments. Research used stratified random sampling technique and sample size of the study was 143 staff. Data collection was done by structured questionnaires. This data was analyzed through the descriptive statistics, correlation and regression analysis using SPSS Version 21. The findings were presented in tables and figures and researcher’s own interpretation.

The correlation results showed that there was a positive and significant relationship between innovation \( (r = 0.298; p < 0.000) \), risk taking \( (r = 0.199; p < 0.017) \) and proactiveness \( (r = 0.119; p < 0.025) \) and business growth at Safaricom (K) Limited. The regression analysis showed that innovation \( (\beta = 0.378, p < 0.005) \) had the greatest effect followed by proactiveness \( (\beta = 0.212, p < 0.005) \) and risk taking \( (\beta = 0.378, p < 0.005) \) on business growth at Safaricom (K) Limited.

This study therefore concludes that innovation has the greatest effect on business growth, followed by proactiveness and risk taking had the least impact on business growth at Safaricom (K) Limited.

The study therefore recommends that Safaricom (K) Limited should endeavor to enhance their process innovations to improve the organization’s forms and knowledge, policies and procedures in distribution applications, products, channels and consumers’ needs, preferences and expectations; that Safaricom (K) Limited should encourage risk taking among its staff, project teams and managers to enable the organisation capture new markets in the telecommunication sector in Kenya and that Safaricom (K) Limited should enhance its proactive tendency in searching for emerging technologies, markets and opportunities in the growing telecommunications sector in Kenya.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Corporate Entrepreneurship (CE) has emerged as a significant subject in management research. CE was designed as a strategic approach to be able to address the challenges facing organisations in dealing with the external environment to achieve a sustainable competitive advantage in the global business sector in the past three decades. CE has also been defined as an orientation of entrepreneurial activities in an established firm as a significant economic development and wealth creation dimension. Practitioners and scholars have shown interest in CE from the early 1980s due to its effect of profitability and effect on organization’s performance (Zahra & Garvis, 2000).

Over the past decade, there has been a growing awareness that governance and ownership systems can significantly impact corporate entrepreneurship. Porter (1980) called for studies documenting the association of governance and ownership systems with entrepreneurial worldwide, business environment has evolved to become unpredictable, competitive and highly dynamic (Kuratko, Ireland, & Hornsby, 2004).

The development of CE in business has been fueled by trade liberalization, technological advancements in ICT and globalization. These occurrences have made the globe to become a worldwide market where firms and businesses are competing beyond geographical and national boundaries. The scope of competition between organisations today has become widely expanded and this is creating several challenges for managers and business forms (Kuratko et al., 2004).

In consideration of these scenarios, it therefore becomes important for business companies to adopt entrepreneurial behaviour and also develop support for organisational culture for their survival to gain a competitive advantage and thereby achieve better performance. This is due to those entrepreneurial activities in business companies become a source of competitive advantage and vitality which leads to better and improved performance (Antonicc & Hisrich, 2004).

According to Ramayah, & Puspowarsito (2011), innovative and entrepreneurial activities provide a refreshing feeling for business organisations that have been existing despite
their nature and sizes. These organisations have realized that in order to improve their performance (profitability and growth) there is need to adopt CE as an effective strategy and this has led to corporate managers taking efforts to make their firms and employees more entrepreneurial.

The concept of entrepreneurship has often been considered as a phenomenon observed at the individual level where firm formation and innovation distinguishes entrepreneurship from the managing of current activities. The term entrepreneurship is viewed as a process of creating a new business venture bringing together or acquiring need resources while in pursuit of opportunities. The concept is also seen as conducting profit-seeking activities, taking risks and as a process of creating novel or innovating combination of resources with the aim of creating value (Ramayah, & Puspowarsito, 2011).

In the midst of the entrepreneurial process there is an entrepreneur, an individual who is creating value where there was not any earlier and whose features are an affinity towards risk taking, proactiveness and innovativeness. Therefore, entrepreneurship can be explained as a representation of abilities to realize new opportunities in the external environment, prioritize and evaluate these opportunities to become business concepts that are viable (Kolakovic, 2006).

CE as entrepreneurial activities in firms that are established is a significant feature of economic and organisation development and wealth creation. CE is important for large firms that are often risk averse to innovative, driving teams and leaders to achieve an increased rate of corporate enterprising. Moreover, the merits achieved from innovation through CE also give the firm benefits of setting the foundation for continuity leadership. CE is also seen as an approach for renewing an organisation because along with the innovation, there is an existing drive toward venturing (Karacaoglu, Bayrakdaroglu & San, 2013).

1.2 Statement of the Problem
Corporate Entrepreneurship (CE) is associated with the different ideas of corporate development on the one hand and individual initiative on the other. Through a corporate strategy lens, this association is dangerous as it supports the risks of misalignment in the strategy plan of the organisation and also a risk of eroding the competitive advantage of
the firm. Basically, corporations are unable to rely on individual initiative minus increasing the autonomy of the individual and the risk of personal initiatives might come from the main strategic alignments.

In efforts to implement CE successfully, organisations have to mitigate and face the risks that come with CE. There are studies that have been done on CE in Africa, for example, Nyanjom (2007) conducted a research in Botswana on how firms can enhance and develop entrepreneurial innovations and also encourage entrepreneurial activities in firms. However, this research was unable to address the characteristics of innovativeness that impacts the financial performance of organisations.

In Kenya, studies conducted on CE have focused on selected CE dimensions affected performance of organisations and have not examined the effect of individual dimensions on business growth in the telecommunication sector. For instance, Lwamba, Bwisa and Sakwa (2014a) explored the innovation dimension of CE on financial performance of manufacturing firms in Kenya and found that product and organizational innovativeness had positive and significant effects on financial performance of the organisations. However, this study was limited to innovativeness dimension of CE and the manufacturing sector.

Moige, Mukulu and Orwa (2016) studies the effect of CE on performance of food fortification companies in Kenya and which revealed that corporate entrepreneurial management and Corporate entrepreneurial incentives increase performance in food fortification companies in Kenya, this study was however limited to food fortification firms.

There is paucity on the amount of research that has been done on CE and business growth in Kenya, specifically in the telecommunication firms which are characterized to emerging technological advancements and a dynamic external environment. This study intends to fill this gap by undertaking an examination of CE dimensions (risk taking, proactiveness and innovation) on business growth among telecommunication firms taking Safaricom (K) Limited as a case of this research.
1.3 Purpose of the Study
This study examined the impact of corporate entrepreneurship strategy on the growth of business organizations in Kenya: a case of Safaricom (K) Limited.

1.4 Research Questions
The study aimed at answering the following research questions;
1.4.1 What is the effect of innovation on business organizations?
1.4.2 What is the effect of risk taking on business organizations?
1.4.3 What is the effect of proactiveness on business organizations?

1.5 Significance of the Study
The study seeks to uncover how Safaricom Limited has been able to practice corporate entrepreneurship and draw profitable benefits and the sustenance of the same. The information will therefore be useful to the following stakeholders:

1.5.1 Industry Players
As the leading mobile network operator in Kenya and the most profitable company in East and Central Africa, the study on Safaricom’s practice will be a point of learning for the other industry players who may want to perform as well. Given that the organizations work in the same environment, the players may be able to establish areas of improvement and uncover opportunity areas they had not deemed as such.

1.5.2 Management and Shareholders
The information in this study will inform the management and the owners of Safaricom to gain knowledge of the benefits that the company has gained and where the company can improve in its practice of corporate entrepreneurship. The recommendations from this study if adopted and implemented by top management of Safaricom (K) Limited will enhance the business growth of the firm.

1.5.3 Academicians and Researchers
The research will contribute to the body of knowledge to academicians and researchers who would want to further their studies in understanding the competitive advantage arising from Corporate Entrepreneurship. The research will help other academicians and
researchers to have a source of reference on CE and business growth and also suggest areas for further studies on CE.

1.6 Scope of the Study
This research was limited to the organization of study, which is Safaricom (K) Limited, and the subject of study was limited to the employees located at the Head offices in Westlands, Nairobi. The study was also limited to risk taking, proactiveness and innovation as the dimensions of CE. The study was conducted from January 2017 to June 2017.

1.7 Definition of Terms
1.7.1 Corporate Entrepreneurship
This refers to the entrepreneurship that exists in a firm which includes the emerging behaviours or behavioural intention of a firm associated with departing from the norm (Antoncic & Hisrich, 2003).

1.7.2 Innovation
This refers to implementing a significantly improved or new service, product, process marketing approach or organisational approach to business practices, external relations and workplace organisation (OECD/Eurostat, 2005).

1.7.3 Risk Taking
This refers to the way in which an innovation is rooted in the firm, community and society and is also associated with the people’s willingness to commit important resources to opportunities that are assumed may succeed (Akehurst, Comeche & Galindo, 2009).

1.7.4 Proactiveness
Proactiveness is the forward-looking, opportunity-seeking view which involves introduction of new services and products before the firm’s competitors and also to act in anticipating future demand to shape the business environment or create change (Lumpkin & Dess, 2001).
1.7.5 Strategy
Strategy is the set of blueprints and plans that are developed by top management in an organisation to attain the organization’s objectives, vision and mission and are consistent with the strategic plans of the organisation (Mainardes, Ferreira & Raposo, 2014).

1.7.6 Competitive Advantage
This refers to the differential or asymmetry in an organisation factor or characteristic that enables an organisation to serve its customers better than other firms and thereby create improved customer value and attain better performance (Njoki, 2013).

1.8 Chapter Summary
The chapter looked into the introduction to the corporate entrepreneurship and outlines the statement of the problem that will guide the study. The research objectives selected for this study include the innovation, pro-activeness and risk taking which form the variables of the research. The second chapter of the study presented the literature review of the study, the research methods and techniques adopted for this research were presented and discussed in chapter three. Chapter four of the research presented the results and findings and chapter five presented the conclusion, discussion and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter analyses and elaborates past reviews relevant to the research study. In this case, the literature is presented in terms of the three research objectives from a global, regional and local impact of CE dimensions on organisation growth. Each section is presented in terms of the definition of the concepts and empirical literature on the relationship between variables.

2.2 Effect of Innovation on Business Organization Growth
According to Porter (Schumpeter, 1934; Porter, 1980) the concept of innovation is associated with the economic aim of creating differentiation (to enhance the monopolistic control of an organisation in lieu to its customers). The concept of innovation has received much attention in terms or research in different disciplines and can be described along different dimensions such as newness or novelty (Tidd & Bessant, 2009), and is also classified on the direction it focuses such as the product, market, process and/or business system (Jenssen & Randøy, 2006; Jenssen & Nybakk, 2009).

A large part of the research on this relationship of innovation and firm performance has shown evidence that innovation is a significant part for organisation long-term success. Moreover, several researchers have argued that businesses that are innovative enjoy more success over others (Nybakk & Jenssen, 2012). Earlier studies have laid emphasis on the significance of differentiating between several forms of innovation because it assists to identify the determinants of innovation (Jenssen & Nybakk, 2009; Jenssen & Åsheim, 2010).

Bartolacci, Castellano & Cerqueti (2015) study on the impact of innovation on companies’ performance found that several types of innovation played a key role in determining company performance. These types of innovation included process, product and market innovation. These types of innovation are discussed in this section.

2.2.1 Process Innovation
The process innovation refers to the new organisational forms and knowledge, policies and procedures that are embodied in the distribution applications, products, channels and
consumers’ needs, preferences and expectations. Process innovation is associated with the implementation of a significantly improved or new delivery method or production (Garcia, 2014).

This include drastic changes in equipment and/or software and techniques and its benefit includes an increase to quality, a decrease in unit costs of delivery or production and to deliver or produce significantly improved or new products. Fagerberg and Verspagen (2009) opined that whereas the introduction of new products is mostly assumed to have a positive, clear effect on the growth of employment and income, process innovation owing to its cost-cutting distinction has a more cloudy impact on performance.

According to Eiriz, Faria and Barbosa (2013), the motivation to adopt the process innovation strategy is influenced by process innovation is more driven by market pressures. Several studies have found that process innovation contributes more to productivity increase than product innovation (Hall, Lotti & Mairesse, 2009; Parisi, Schiantarelli & Sembenelli, 2006).

To Oke (2007), process innovation involves creating or improving in techniques and the development in system or process. In production activities, process innovation can be viewed as improved or new devices, tools, techniques and knowledge in product making (Oke, 2007; Langley et al., 2013). Important to the manufacturing sector, process innovation should be adopted by an organisation as its main characteristic ability for competitive advantage. This explicitly means that such an innovation is positively associated with firm growth (Morone & Testa, 2008).

Mosey (2005) suggests that product innovation is the foundation of better-performed firms seeking future aggressive growth. Demirel and Mazzucato (2012) found that relatively smaller organisations are more explorative to new technologies and are more involved in product innovations whereas large organisations in different sectors during the “mature” stage of the life cycle industry excel in incremental changes and process innovations to established technologies.

Eiriz et al. (2013) argued that firms get more concerned with efficiency aspects, therefore process innovation tends to be the focus of firms’ innovation strategies. Goedhuysa and
Veugelers (2008) study on product and process innovations and growth of organisation-level study from Brazil found that innovative performance is a significant factors for organisation growth. The study revealed that the combination of process and product innovations have a huge effect on the growth of the firm.

Mwangi and Namusonge (2014) study on influence of innovation on SMEs growth among garment manufacturing industries in Nakuru County and found that indicated that process innovation was crucial to coming up with quality designs of products that help meet user wants and needs. Majority of respondents agreed that process innovation was crucial in coming up with quality designs of products that will help meet user wants and needs. The study concludes that process innovations are most important for garment making firms and are also most difficult to achieve due to accessibility and costs.

2.2.2 Product Innovation

The concept of product innovation refers to the action of creating a new product from new materials (totally new product) or changing the existing products to meet consumer satisfaction (improved version of existing products) (Langley et al., 2013). Product innovation also means the action of introducing new services or products in an attempt to creating new customers or markets (Wang & Wei, 2005; Wan, Ong & Lee, 2005). Eiriz et al. (2013) opined product innovation is associated with strategic determinants and is most important in the early phase of the life cycle. Product innovation is less likely when organisations are expanding their existing business operations due to the managers’ focus are on satisfying the high market demand.

Rouse (2013) contends that product innovation refers to the firm’s process to introduce new technology, new manufacturing methods, new commodities/products, new ideas, new delivery and distribution and workflows. The literature argues that product innovation is the most significant source of change in the structure of an economy as it alerts the mix of jobs, industry and products which comprise the economy.

Researchers have concluded that product innovation remains as the most significant sources of an organization’s competitive advantage (Camison & Lopez, 2010). In Spain, Espallardo and Ballester (2009) revealed that product innovation had a positive impact on business performance among 744 firms. Alegre et al. (2006) study also confirmed that
both dimensions of product innovation (efficiency and efficacy) had a strong positive relationship to business performance. This was also affirmed by Varis and Littunen (2010) study which revealed that new products introduction is positively related with business performance.

### 2.2.3 Market Innovation

A market innovation is defined as implementing a new marketing approach that involves major changes in design, product or packaging, pricing strategy or product placement. The aim of market innovation is to improve meeting consumer needs, to provide an organisation a new position in the market in efforts to increase the income from sales and to open up new markets. Market innovation is associated with product offers, promotion activities, product placements, design properties and pricing strategies (Tavassoli & Karlsson, 2015).

Cano, Carrillat and Jaramillo, (2004) affirmed that market innovation has a significant role in meeting market needs and response to market opportunities. The significance of market innovation to organisation performance, although limited, is presented in the literature also. Sandvik and Sandvik (2003) revealed that market innovation had a positive impact on the sales growth of organisations.


### 2.2.4 Organizational Innovation

The concept of organisational innovation refers to implementing new organisational approaches in an organisations business practices, external relations and corporate organisation (Trott, 2010). Organisational innovations are meant to increase the organization’s performance by reducing transaction costs, administrative costs, improve workplace satisfaction, improve workplace satisfaction costs, gain access to non-tradeable
assets or reduce supply costs. Several studies have affirmed a positive relationship between organisational innovativeness and financial performance (Atayal, Anafarta & Sarvan, 2013).

Organisational innovativeness occurs as a result of management’s strategic decision-making that comes from implementing organisational methods that have never been adopted in the organisation (OECD/Eurostat, 2005). Lam (2005) proposed two definitions of organisational innovation as variations in types of organisational forms (organizational innovation *stricto sensu*) and in managerial practices and the adoption or creation of a notion that is new to the firm (organizational innovation *lato sensu*) (Haned, Mothe & Nguyen-Thi, 2014). Lin and Chen (2007) found a link between organisational innovation and an increase in sales of a business and argued that organisational innovation over technological innovations as an important factor for sales growth.

Gunday, Ulusoy, Kilic and Alpkano (2011) studied the impact of types of innovation on organisation performance and found that organisational innovation was a strong driver of innovative performance. Innovative organisations more so those with a high innovativeness score for process, product and organisation innovation have higher total exports and sales.

Gunday et al. (2011) concluded that organizational innovations do not only prepare a suitable 29 milieu for the other innovation types, but also have a strong and direct impact on innovative performance. Haned et al. (2014) study evidence indicated a positive influence of organisation innovation on technological innovation influenced by different measures of organisational innovation.

In the organizational innovation framework, it is imperative to indicate the effect of this form of innovation in the performance of organisations (Camisón & Villar-López, 2014; Sapprasert & Clausen, 2012). Morone and Testa (2008) found that organisational change was one of the more dominant innovative strategy for small and medium enterprises growth in Italy.

Masso and Vahter (2012) argued that organizational innovation is very important in the productivity improvements in the services sector of intensive knowledge. In this regard, organizational innovation is more likely to lead to a reduction of administrative
transaction costs, as well as enhance satisfaction in the work environment (Simao, Rodrigues & Madeira, 2016).

2.3 Effect of Risk Taking on Business Organization Growth
The concept of risk taking is that it is a major feature of entrepreneurship whereby a high risk taking orientation thus leads to a high organisation growth and profitability Zhou and de Wit (2009) view risk taking as a propensity to take brave actions such as to venture to new markets, and a using a large size of resources to venturing with unclear outcomes and borrowing huge amounts to make business investments.

Risk taking involves engagement in manageable and calculated risks in an attempt to achieve benefits rather than having daring risks which can negatively affect organisation performance (Dess & Lumpkin, 2005; Morris, Kuratko & Covin, 2008). Empirical studies done in developed and transition economies suggest that risk taking as a firm - level strategic posture has constitutes a potential source of competitive advantage and has positive, long-term impact on financial performance and growth of SMEs (Wang & Poutziouris, 2010).

The propensity to move from a known situation to a place where it can capture opportunities and commit huge amount of resources with little knowledge about the new situation comprise of risk taking tendencies (Wiklund & Shepherd, 2005). Gibb and Haar (2010) conducted an empirical research among 167 New Zealand organisations and confirmed that a profile of an organisation risk taking often leads to a high financial performance. In Taiwan, Wang and Yen (2012) found that risk taking has a positive impact with organisation performance among SMEs in China.

2.3.1 Risk Taking and CEO Gender
The effect of entrepreneur gender and the entrepreneurial orientation is found in the literature. Runyan et al. (2006) research found that females compared to their male counterparts were more innovative and were less risk averse but there were no significant differences in regard to proactiveness. Diaz-Garcia and Jimenez-Moreno (2010), Lim and Envick (2011) and Ayub, Razzaq, Aslam and Iftekhar (2013) showed evidence that women as compared to men were more risk-averse. Diaz-Garcia and Jimenez-Moreno
(2010) unlike Goktan and Gupta (2015) affirmed that men were less innovative than women.

Faccio, Marchica and Mura (2012) study on the gender of Chief Executive Officer (CEO), capital efficiency and corporate risk taking revealed that CEOs of a male gender were willing to take more organisation-level risks than female CEOs. Salleh and Ibrahim (2011) conducted a study examined the differences between background characteristics and risk taking propensity among SMEs in Malaysia and concluded that there were significant variation between SMEs owner gender and risk taking propensity.

Anderson et al. (2013) conducted surveys to establish the gender-related variation in risk-aversion and concluded that female is less competitive as compared to male. They found that women were less overconfident than their male counterparts. Therefore, female avoid challenging and risky situations. These variations in perceptions of risks are explained mostly by the partners and the environment that females face. Nevertheless, the study noticed that these variations do not appear among professionals and manager populations.

Skala and Weill (2015) conducted a study on gender of CEOs on banks’ risk and revealed that banks’ headed by women CEOs were less risky and reported high capital adequacy and equity to assets ratio. The evidence supported the argument that females are more risk-averse than male CEOs in the banking sector. Ključnikov, Belás and Smrčka (2016) study on the role of competitive aggressiveness and risk-taking in SME management found that gender influences motivations for realizing of riskier projects. The research confirmed that men realized riskier projects mostly than women in an efforts to enhance the financial performance of the business.

Elsaid and Ursel (2011) research risk taking, gender and CEO succession found that a greater percentage of women on the board lead to a higher likelihood of a woman successor whether inside or outside the firm. Moreover, a change in CEO from men to women is linked with a decrease in several indicators of organisation risk taking.

**2.3.2 Risk Taking and Firm size**

Risk taking has also been found to be dependent upon the size of the firm. Balabanis and Katiskea (2003) argued that the size of the organisation influences risk taking propensity.
This is because access to a large pool of resources among larger organisations gives them an opportunity to make risky decisions and spread them among several markets and products. This also allows larger firms to stand for losses from failed entrepreneurial efforts. Thus it is expected that large firms can have a high level of risk taking propensity.

In Malaysia, Ambad and Wahad (2013) researched on Entrepreneurial Orientation among Large Firms. The findings showed that risk taking affected firm performance positively. Shamsuddin, Othman, Shahadan and Zakaria (2012) researched examined the dimensions of CE and the performance of established firms in Malaysia found that and risk taking had a positive and significant impact on financial performance of JCorp intrapreneur companies. The study concluded that risk taking is a major determinant of CE and financial performance in large businesses.

In Kenya, Muthee-Mwangi and Ngugi (2014) studies the influence of entrepreneurial orientation on the growth of SMEs and the descriptive results indicated that most of the SME managers agreed that risk taking influences growth of micro and small enterprises. Inferential statistics indicated that the correlation between the growth of micro and small enterprises and risk taking was strongly positive and significant. Regression results indicated that an increase in the effectiveness of risk taking by one unit leads to an increase in growth of MSEs.

Olaniran, Namusonge and Muturi (2016) conducted a study on the role of risk-taking on organisation performance in the Nigerian Stock Exchange among 60 firms of the listed 176 firms’ financial statements. The indicators for risk taking included in the research model were monetary risk, social risk and psychological risk. The study revealed that risk-taking had an inverse relationship with ROE and ROA.

Ključnikov et al. (2016) examined the influence of competitive aggressiveness and risk taking in SME management and revealed that young firms had a greater willingness to invest in risky projects. Laforet (2013) affirmed that young firms are more proactive in the market in an aim of being ahead of the competitors more often in contrary to the firm operating in the market for more than a decade.

Lwamba, Bwisa and Sakwa (2014b) explored the impact of CE on financial performance of manufacturing firms from 186organisations in Nairobi County through simple random
sampling. The results showed that risk taking had a positive impact on financial performance. Anderson and Eshima (2013) study on the influence of firm age and intangible resources on link between entrepreneurial orientation and firm growth among Japanese SMEs found that young organisations are able to take the opportunity of risks in the market. This is because younger firms are able to be more flexible in terms of taking risks as compared to older firms which have strategic direction.

2.3.3 Risk Taking and Firm Characteristics

Leko-Šimic’ and Horvat (2006) made a distinction between traditional, that is, non-traditional and more labour intensive, that ism knowledge and technology intensive businesses. The non-traditional businesses are expected to possess higher levels of risk taking propensity, since knowledge and especially technology is more likely to enhance learning skills for successful growth and adaptation in new environments that firms that re dependent on tangible resources (Au, Sapienza & Almeida, 2000). The study concluded that firms that are older are usually bound by routines and traditions in market and product choices and are therefore expected to be less willing to make additional risk.

In Korea, Kim (2014) investigated the influence of foreign ownership of firms on the risk taking behaviour. The findings revealed that organisation with higher foreign ownership are not likely to avoid risk-taking and that firm growth was directly associated with risk taking, indicating that foreign investors play a monitoring role in encouraging value-enhancing risk taking.

In Malaysia, Entebang, Mansor and Puah (2006) conducted a research on CE (innovation, risk taking, proactiveness and aggressive competitiveness) in state owned enterprises and the aim of the study was to establish the level of entrepreneurship orientation among Government Linked Companies (GLCs). The findings showed that there was a positive entrepreneurial tendency in proactiveness, innovation and competitive aggressiveness, but low risk taking.

Peng (2015) study on risk taking and firm growth found that risk taking has an economic and statistical significant impact on firm growth and earnings. Risk taking was also found to have a positive link with firm earnings and therefore an organisation with a higher level of risk taking have a small cash flow shortfall.
Rauch et al. (2004) found that although risk-taking had a smaller significant impact on organisational performance in comparison with other EO dimensions, it had a positive effect (Rauch et al., 2004). Naldi, Nordqvist, Sjöberg and Wiklund (2007) study on entrepreneurial orientation, risk taking, and performance in family firms among Swedish firms found that family firms do take risks while engaged in entrepreneurial activities, they take risk to a lesser extent than nonfamily firms. The results further indicated that that risk taking in family firms is negatively related to performance.

In Kenya, Linyiru, Karanja and Gichira (2015) researched on the influence of competitive aggressiveness and risk taking on firm performance of commercial state corporations which found that most of the study participants agreed that risk taking was a major determinant of organisation performance. The correlation results indicated a positive and significant association between business performance and risk taking. Che and Liebenberg (2016) examined the effects of business diversification on asset risk-taking found that big insurance firms retain in-house expertise of investment analysts and credit specialists. Investing in risky assets requires that insurers monitor and assess risks. The internal professionals of big insurance firms provide an advantage to implement risk-taking strategies.

### 2.4 Effect of Proactiveness on Business Organization Growth

Proactiveness is the capacity to acting before others in product introduction or capturing new markets or resources tapping are vital ingredient of entrepreneurship in which an entrepreneur seeks new opportunities which are new to the current operations of the business (Narver et al., 2004; Olson, Slatter & Hult, 2005). Organisations that adopt proactiveness in its strategies is able to achieve, maintain and gain competitive advantage in an emerging market environment. Proactiveness in a flooded market needs a firm to be the first in establishing new needs or introducing new commodities often to be able to have new approaches to achieve sustainable competitive advantage (Porter, 1980).

According to Harun and Veysel (2009), proactiveness is defined as a forward-looking, opportunity seeking perspective featured by introduction of new services and products before the competitors and act in anticipation of future demand. The concept of proactiveness is defined by Lumpkin and Dess (2001) “of a business or individual to act in anticipation of future changes, needs or problems” (p. 136).
Thus, being the first person or business to move in pursuit of new opportunities and participate in developing markets is closely associated with organisation level entrepreneurship activities. Proactiveness is an organisation's strategic orientation that holds specific entrepreneurial aspects of practices, methods and decision-making styles (Frank, Kessler & Fink, 2010). The act of proactiveness aims to prepare for the future by looking for new opportunities which may not or may be associated to the current lines of operations which allow introduction of new brands and products before the competitors (Okpara, 2009).

2.4.2 Proactiveness and Firm performance

In other words, proactive behavior implies dynamic experimentation and realization of research and development policy aiming at maintaining a constant flow of new products or services introduced on the market (Perez-Luno et al., 2011). It should be expected that proactive organizations will scan the environment in order to find new trends and keep up with the competition. That is why proactiveness means also the forward-looking perspective feature for an industry leader that has the capacity to seize and opportunity to predict future demands (Dess & Lumpkin, 2005).

Tang, Kacmar and Busenitz (2009), study proved that there exists a hierarchical relation between the components of EO, and he concluded that proactiveness was at the top which creates such an environment in an organization that the companies is more likely to be more innovative by such initiatives which can create differentiated value for the products and services of the organization, and also more risk taking by undertaking into unreliable activities to exploit external opportunities.

The tendency of proactiveness is oriented in achievement, anticipation, emphasis on taking initiatives, predicting changes towards a significant situation, creating change and early preparation to the happening of an impending uncertain risk (Boohene, Marfo-Yiadom & Yeboah, 2012). As an entrepreneurial orientation dimension, proactiveness is a forward-looking and seeking opportunity perspective that means that the firm acts in anticipation of future trends and demands with a motive of capitalizing on the opportunities for profit gain (Kropp, Lindsay & Shoham, 2008). A SME that adopts
proactiveness in its business is able to anticipate the demands and needs of the market and is therefore capable to anticipate the needs of consumers (Laraway & Snycerski, 2013).

Karacaoglu et al. (2013) using a sample of 140 industrial manufacturing firms listed on Istanbul Stock Exchange (ISE) found that the original dimensions of entrepreneurship orientation (risk taking innovation and proactiveness) had direct interaction with organisation financial performance. In a similar study in Netherlands, Kraus, Rigtering, Hughes and Hosman (2012) survey among 164 SMEs found that proactive SMEs behaviour had a direct influence on SME performance during the economic crisis. In Sri Lanka, Kumarpeli and Semasinghe (2015) research on the impact of entrepreneurial orientation on the growth of SMEs in Sri Lanka found that the relationship between proactiveness and firm growth was not significant.

2.4.3 Proactiveness and Firm size

In the Czech Republic, Rahman, Civelek, M., & Kozubíková (2016) conducted a comparative study of MSE and SMEs on their proactiveness, competitive aggressiveness and autonomy. The study empirical results showed important differences among SMEs and Micro SMEs in regard to autonomy and proactiveness. In Russia, Shirokova, Bogatyreva and Beliaeva (2015) did research on Entrepreneurial Orientation of Russian Firms and found direct relation between the entrepreneurial dimensions of proactiveness and innovativeness on business performance was in hostile external or dynamic environments.

According to Ferreira and Azevedo (2008), proactiveness implies an organization’s efforts to seize new opportunities. (Ibid.) organisation can use two approaches to act in a proactive manner: one, an organisation can continuously seeks out new service or product offerings. Two, organisation can introduce new technological capabilities and new products before competitors

In Poland, Ejdys (2016) conducted a study on innovativeness and entrepreneurial orientation of SMEs. A questionnaire survey was conducted among 137 firms in the Podlaskie Region. Three hypotheses related to entrepreneurial orientation and innovativeness level were examined by Structural Equation Modeling (SEM).The relation
between two constructs of entrepreneurial orientation and innovativeness, that is proactiveness and risk taking were analyzed.

(Ibid.) research results show that proactiveness has a significant positive total effect on improving innovativeness. The study concluded that proactiveness was positively and significantly related to organisation innovativeness. In Malaysia, Arshada, Raslib, Arshad and Zain (2014) research found that among the five dimensions of EO, proactiveness had the highest correlation with business performance and proactiveness had an effect on business performance.

There is evidence of several studies that have focused on the relationship between proactiveness and firm growth. These studies however have been predominantly been focused on the SME sector. Fatoki (2014) study on entrepreneurial orientation of MSMEs in South Africa’s retail sector found that Micro enterprises were less proactive and preferred to be followers rather than leaders. In Ghana, Anlesinya, Eshun and Bonuedi (2015) entrepreneurial proactiveness relates positively and significantly to profitability.

Oni (2012) investigated the importance of entrepreneurial proactiveness on firm performance and the findings revealed that enterprises that acted on high entrepreneurial proactiveness had a direct effect on the performance metrics which are consistent with employment of competent and qualified personnel and size. In Kenya, Wambugu et al. (2015) concluded that, proactiveness was a major predictor of firm performance of agro processing SMEs in Kenya in terms of employee growth and profitability.

2.4.4 Proactiveness and Firm growth
According to Hakkert and Kemp (2006), firm growth refers to the increase in the organisation attributes including profit, employment, and sales of an organisation between two periods in time. Firm growth is often determined by the capacity of the organization’s capability and effectiveness with the organisation-specific resources which include knowledge, capital and labour are organized, acquired and transformed into services and products that can be sold through organisational structures, routines and practices.

The literature shows that there has been mixed results in relation to effect of corporate entrepreneurship and firm growth. For instance Ambad and Wahad (2016) found that
corporate entrepreneurship has a significant effect on firm’s profitability but has no significant relationship with firm’s growth. Other studies (Antoncic & Hisrich, 2004; Steffens, Davidsson & Fitzsimmons, 2009) found direct influence of CE orientation and activities on both profitability and growth.

In their study, Ferreira and Azevedo (2008) on EO on firm growth included two objective metrics of growth were (1) employment growth and (2) sales growth. Employment growth was calculated as the change in the number of employees from 2002-2003. This growth variables was based on four metrics of (i) the growth of the sales compared to that of competitors; (ii) the growth of the market value compared to that of the competitors; (iii) the change of the number of employees from year 2002 to 2003; (iv) the change in the amount of business from year 2002 to 2003.

Antoncic and Hisrich (2004) conducted a study on corporate entrepreneurship dimensions and organizational wealth creation. In the study, performance was measured in terms of the profitability and growth and also wealth creation where profitability and growth were measured in terms of relative and absolute terms (Antoncic & Hisrich, 2001). Absolute growth metrics were the average annual growth in sales in the last three years and the second assessed the average annual growth in number of employees in the last three years. Market share in the last three years was used to measure relative growth.

2.5 Chapter Summary
This chapter presented the literature review of the study. The chapter was presented in line with the study objectives. The literature showed that there was mixed evidence on the effect of corporate entrepreneurship on firm growth. The next chapter of the study presents the research design and research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This section presents the methodology of the study. It comprises of the research design, the population and sampling design that is intended for use in the study. It also highlights in a description of the population to be studied, the sampling design containing the sample frame, sampling technique and sample size selection. The data collection methods and tools are also shown together with the intended research procedures to be taken and data analysis methods proposed for the study.

3.2 Research Design
The study used the descriptive research design. Hackman & Oldham (2004) view descriptive design is appropriate in clarification of concepts, collecting information on practical issues and formulating a study phenomenon for further research (Berrett, 2010). The dependent variable was the impact of corporate entrepreneurship in the growth of organizations. The independent variables are going to be risk taking, pro-activeness and innovation.

3.3 Population and Sampling Design

3.3.1 Population
The population is the collection of total elements that we wish to study and make inferences (Cooper & Schindler, 2014). In this study the population was made up of the employees of Safaricom (K) Limited. These comprised of six hundred and twenty two employees. These are employees who are directly involved in strategy formulation and implementation.

3.3.2 Sampling Design
This is the procedure that guides the researcher towards selecting the appropriate sample. It guides the process of grouping units to the frame, to establish the sample size and allocate the sample to the categories in the sampling frame and final section of the sample (Shields & Rangarajan, 2013).
3.3.2.1 Sampling Frame

The sampling frame refers to an exhaustive list of elements from which potential respondents will be drawn (Cooper & Schindler, 2006). The sampling frame in this study comprises all employees of Safaricom Limited who are involved in strategy formulation and implementation. These are employees who are in the middle and upper level management. The list of these employees was provided by the human resources department of Safaricom (K) Limited as shown in Table 3.1.

### Table 3.1: Sampling Frame

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit</td>
<td>7</td>
</tr>
<tr>
<td>Marketing</td>
<td>21</td>
</tr>
<tr>
<td>Financial Services</td>
<td>27</td>
</tr>
<tr>
<td>Finance</td>
<td>48</td>
</tr>
<tr>
<td>Resources</td>
<td>34</td>
</tr>
<tr>
<td>Corporate Affairs</td>
<td>31</td>
</tr>
<tr>
<td>Customer Care</td>
<td>132</td>
</tr>
<tr>
<td>Enterprise Business Unit</td>
<td>76</td>
</tr>
<tr>
<td>Risk</td>
<td>26</td>
</tr>
<tr>
<td>Technology</td>
<td>91</td>
</tr>
<tr>
<td>Strategy and Innovation</td>
<td>9</td>
</tr>
<tr>
<td>Consumer Business Unit</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>622</strong></td>
</tr>
</tbody>
</table>

Source: Muchaba (2015)

3.3.2.2 Sampling Technique

Stratified random sampling technique was used in the study. The technique involves dividing a heterogeneous population into smaller units referred to as strata which are based on the population member’s category or position i.e. senior managers, line managers and operatives. Simple random sampling was used to select a number which was proportion to the sample size of each strata (Gobo, Gubrium & Silverman, 2003). Simple random sampling was then used to select the individual staff member to be included in the sample.

3.3.2.3 Sample Size

The study used the Yamane (1967) sampling formula, Where; \( e \) = tolerance at the preferred level of confidence, \( N \) = study population, \( n \) = sample size, take \( \alpha = 0.05 \) at 95%
confidence level. The sample size for the study was established as 234 respondents. According to Yamane (1976) the formula can determine the sample size:

\[
n = \frac{N}{1 + N \times (e^2)}
\]

Thus, the sample of Safaricom (K) Limited employees was:

\[
n = \frac{622}{1 + 622 \times (0.05)^2}
\]

\[
= \frac{622}{2.555}
\]

\[
= 234
\]

The probability proportion to sampling size (PPS) was applied. This is a sampling technique where the probability of a strata to be selected is proportionate to the size of the ultimate unit which involves selecting larger sample sizes from larger population units or clusters and vice versa (Abdulla et al., 2014) the formula to achieve a sample size in each department.

\[
\frac{\text{Population of Department} \times \text{Sample Size}}{\text{Total Target Population}} = 234
\]

<table>
<thead>
<tr>
<th>Department</th>
<th>Target Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Business Unit</td>
<td>120</td>
<td>45</td>
</tr>
<tr>
<td>Enterprise Business Unit</td>
<td>76</td>
<td>29</td>
</tr>
<tr>
<td>Financial Services</td>
<td>27</td>
<td>11</td>
</tr>
<tr>
<td>Customer Care</td>
<td>132</td>
<td>49</td>
</tr>
<tr>
<td>Technology</td>
<td>91</td>
<td>34</td>
</tr>
<tr>
<td>Finance</td>
<td>48</td>
<td>18</td>
</tr>
<tr>
<td>Resources</td>
<td>34</td>
<td>13</td>
</tr>
<tr>
<td>Corporate Affairs</td>
<td>31</td>
<td>12</td>
</tr>
<tr>
<td>Marketing</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Risk</td>
<td>26</td>
<td>9</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Strategy and Innovation</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>622</strong></td>
<td><strong>234</strong></td>
</tr>
</tbody>
</table>
3.4 Data Collection Method

The study used both primary and secondary sources of data. The questionnaire was a useful tool for collecting data from respondents because it provided a means of gathering data in an open, clear, objective and cost effective way. The survey is also a relatively faster means of gathering information and from a large size of the population or group (Koehler, 2009). The questionnaire was used as the tool for primary data collection. The questionnaire to be used was structured to elicit specific responses for quantitative analysis respectively. The questionnaire was divided into section one, two, three and four comprising of questions on innovation, risk taking (10 items), and pro-activeness (10 items). The study used items from past literature to design the questionnaire. Studies (Covin & Miles, 1999; Piirala, 2012) items on proactiveness and risk taking were adopted for this research. Atalay, Anafarta and Sarvan (2013) scale was used for innovation dimensions.

The researcher used likert scale questions to design the questionnaire. A 5-point likert scale was used for respondents to indicate to what extent their firm adopted corporate entrepreneurship in their operations. This study borrowed from Delmar’s (1997) approach of measuring firm growth which included annual growth rates of assets, number of employees and sales. This research specifically adopted the sales growth as the dimension of firm growth. Sales growth can be calculated as \[ \text{Sales growth} = \frac{\text{This year’s sale} - \text{last year’s sales}}{\text{Last years sales}} \]

This information on firm growth was from secondary sources and was retrieved from Safricom (K) Limited annual reports.

3.5 Research Procedures

The questionnaire was pretested to ensure reliability and validity of the research tool in a group of respondents who were not included in the study. Necessary modifications were made. Data was checked for accuracy before entry into the computer. To ensure instrument reliability and content validity of the study, a pilot study was done. According to Barbara, (2008) reliability refers to the extent to which an instrument (measurement) if administered several times will remain the same and the stability of a measurement over a period of time and the likeness of measurements within a period of time. The researcher had a letter of introduction (Appendix I) which was attached to the questionnaire for staff. This letter introduced the objective of the study and to confirm the confidentiality of the
information provided and also include researcher’s contact information for any queries. The researcher further sought a letter of authorization from the United States International University – Kenya to collect data.

3.6 Data Analysis and Presentation

The nature of the data to be collected was quantitative due to the structured and unstructured questions. The Statistical Package for Social Sciences (SPSS) Version 21 was used to analyse the data. The study conducted descriptive statistics which included the mean, standard deviation, frequencies and percentages which were presented in table and charts. The study also adopted inferential statistics to measure the relationship between the independent and dependent variables. Correlation and regression analysis were performed to ascertain the existence of relationship between the variables. Regression analysis is used to show the influence of independent variables on the dependent variable. The proposed regression model for the study is:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \]

Where:
- \( Y \) = Firm growth (independent variable)
- \( \beta_0 \) = Regression constant,
- \( \beta_1, \beta_2 \) and \( \beta_3 \) = Coefficients of independent variables
- \( X_1 \) = Innovation
- \( X_2 \) = Risk Taking
- \( X_3 \) = Proactiveness
- \( \epsilon \) = Error term

3.7 Chapter Summary

The chapter has described the research methodology that will be used to carry out the research. The study is descriptive and focused on middle and upper level management staff of Safaricom (K) Limited. Data collection as carried out via questionnaires and analyzed through the descriptive statistics while using Microsoft Excel and SPSSS as the analysis tools. The next chapter presents the results and findings of this study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study. The findings are presented in subsections of background information, descriptive and inferential statistics and further in line with the research questions of the study. The results are presented in charts and tables and the researcher’s interpretation.

4.2 Background Information

The researcher was able to administer 234 questionnaires. Out of the 234 questionnaires administered, the researcher was able to receive and pick 161 questionnaires. However, 18 questionnaires had incomplete responses and thus 143 questionnaires were used for analysis and represent a response rate of 61.1%.

4.2.1 Gender

In terms of their gender, the findings showed that majority of the respondents accounted for 56.0 % compared to the female representation of 44.0 % as indicated in Figure 4.1.

![Figure 4.1: Gender of Respondents](image-url)
4.2.2 Age

Figure 4.2 shows the age categories of the study participants. The findings show that majority of the respondents were 30-39 years were 64.0 %, 17.0 % were aged 20-29 years, 15.0 % were 40-49 years and 4.0 % were above 50 years of age.

![Figure 4.2: Age Categories of Respondents](image)

4.2.3 Education

In terms of their education level, 47.0 % had a bachelor’s degree level of education, 31.0 % had postgraduate degree, 13.0 % certificate and 9.0 % had a diploma level of education as shown in Figure 4.3.

![Figure 4.3: Education Levels of Respondents](image)
4.2.4 Work Experience
The results show that 39.0 % had 5-10 years working experience, 34.0 % had more than 10 years and 27.0 % had 0-5 years’ work experience at Safaricom (K) Limited as indicated in Figure 4.4.

![Figure 4.4: Work Experience of Respondents](image)

4.3 Descriptive Statistics
This subsection of the chapter presents the descriptive statistics (mean, standard deviation) of the study research questions.

4.3.1 Effect of Innovation on Business Organizations
The study sought to examine the effect of innovation on performance of Safaricom (K) Limited. The study measured the perceptions of study participants on the adoption of process, product, and market and organisational innovation. In terms of process innovation, the findings show that the highest ranked score for process innovation was that Safaricom (K) Limited adopted advanced real-time process control technology (M=4.17; SD=1.124). In regard to product innovation, the findings showed that the highest ranked statement was Safaricom (K) Limited extended numbers of product lines (M=4.04; SD=1.220). The study results revealed that the highest ranked item was Safaricom (K) Limited leads in innovative promoting methods to markets (M=3.50; SD=1.210). In terms of the organisational innovation, the highest ranked item was that Safaricom (K) Limited engaged in business process re-engineering (M=3.67; SD=1.286).
Table 4.1: Effect of Innovation on Business Organisation Growth

<table>
<thead>
<tr>
<th>Innovation statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company adopts advanced real-time process control technology</td>
<td>3.6%</td>
<td>5.8%</td>
<td>16.7%</td>
<td>18.1%</td>
<td>55.8%</td>
<td>4.17</td>
<td>1.124</td>
</tr>
<tr>
<td>Our company imports advanced automatic quality restriction equipment/software</td>
<td>13.0%</td>
<td>7.2%</td>
<td>16.7%</td>
<td>18.1%</td>
<td>44.9%</td>
<td>3.75</td>
<td>1.425</td>
</tr>
<tr>
<td>Our company imports advanced programmable equipment</td>
<td>5.1%</td>
<td>4.3%</td>
<td>15.9%</td>
<td>18.1%</td>
<td>56.5%</td>
<td>4.17</td>
<td>1.156</td>
</tr>
<tr>
<td>Our company launches new products</td>
<td>7.2%</td>
<td>10.9%</td>
<td>23.2%</td>
<td>24.6%</td>
<td>34.1%</td>
<td>3.67</td>
<td>1.251</td>
</tr>
<tr>
<td>Our company extends numbers of product lines</td>
<td>5.8%</td>
<td>8.0%</td>
<td>13.0%</td>
<td>22.5%</td>
<td>50.7%</td>
<td>4.04</td>
<td>1.220</td>
</tr>
<tr>
<td>Our company enlarges new markets with new product development</td>
<td>10.1%</td>
<td>21.0%</td>
<td>31.9%</td>
<td>18.1%</td>
<td>18.8%</td>
<td>3.14</td>
<td>1.241</td>
</tr>
<tr>
<td>Our company launches customized products according to market demands</td>
<td>8.7%</td>
<td>12.3%</td>
<td>24.6%</td>
<td>21.7%</td>
<td>32.6%</td>
<td>3.57</td>
<td>1.295</td>
</tr>
<tr>
<td>Our company leads innovative distributing methods to markets</td>
<td>6.5%</td>
<td>19.6%</td>
<td>34.1%</td>
<td>22.5%</td>
<td>17.4%</td>
<td>3.25</td>
<td>1.151</td>
</tr>
<tr>
<td>Our company leads innovative promoting methods to markets</td>
<td>8.0%</td>
<td>10.1%</td>
<td>31.9%</td>
<td>23.9%</td>
<td>26.1%</td>
<td>3.50</td>
<td>1.210</td>
</tr>
<tr>
<td>Our company continually enlarges potential demand markets</td>
<td>7.2%</td>
<td>11.6%</td>
<td>34.1%</td>
<td>28.3%</td>
<td>18.8%</td>
<td>3.40</td>
<td>1.137</td>
</tr>
<tr>
<td>Our company engages in organizational reconstruction for pursuing operational efficiency</td>
<td>19.6%</td>
<td>12.3%</td>
<td>19.6%</td>
<td>24.6%</td>
<td>23.9%</td>
<td>3.21</td>
<td>1.442</td>
</tr>
<tr>
<td>Our company adopts innovative reward systems</td>
<td>16.7%</td>
<td>14.5%</td>
<td>24.6%</td>
<td>22.5%</td>
<td>21.7%</td>
<td>3.18</td>
<td>1.374</td>
</tr>
<tr>
<td>Our company adopts innovative work designs</td>
<td>15.9%</td>
<td>6.5%</td>
<td>16.7%</td>
<td>25.4%</td>
<td>35.5%</td>
<td>3.58</td>
<td>1.434</td>
</tr>
<tr>
<td>Our company engages in business process re-engineering</td>
<td>9.4%</td>
<td>11.6%</td>
<td>13.0%</td>
<td>34.8%</td>
<td>31.2%</td>
<td>3.67</td>
<td>1.286</td>
</tr>
</tbody>
</table>

4.3.2 Effect of Risk Taking on Business Organizations

The study sought to examine whether risk taking was being used as a strategy at Safaricom (K) Limited. Table 4.2 shows that the highest ranked item was Safaricom (K) Limited employees are encouraged to take calculated risks with new ideas (M=3.86; SD=1.175), this was followed by top managers of Safaricom (K) Limited believed that, owing to the nature of the environment, it is best to explore the environment gradually via careful, incremental behavior (M=3.75; SD=1.100) and The organisation has a
willingness to commit significant resources to opportunities to new business opportunities (M=3.74; SD=1.216).

Table 4.2: Effect of Risk Taking on Business Organization Growth

<table>
<thead>
<tr>
<th>Table 4.2: Effect of Risk Taking on Business Organization Growth</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The top managers of my firm believe that, owing to the nature of the environment, it is best to explore the environment gradually via careful, incremental behavior</td>
<td>42.8%</td>
<td>15.2%</td>
<td>13.8%</td>
<td>14.5%</td>
<td>13.8%</td>
<td>3.75</td>
<td>1.100</td>
</tr>
<tr>
<td>When confronted with decision-making situations involving uncertainty, my firm typically adopts a cautious, “wait-and-see” posture in order to minimize the probability of making costly decisions</td>
<td>10.9%</td>
<td>10.1%</td>
<td>10.9%</td>
<td>35.5%</td>
<td>32.6%</td>
<td>3.23</td>
<td>1.180</td>
</tr>
<tr>
<td>The top managers of my firm have a strong proclivity for low risk projects</td>
<td>9.4%</td>
<td>15.9%</td>
<td>13.8%</td>
<td>31.2%</td>
<td>29.7%</td>
<td>3.58</td>
<td>1.350</td>
</tr>
<tr>
<td>The organisation has a willingness to commit significant resources to opportunities to new business opportunities</td>
<td>8.7%</td>
<td>11.6%</td>
<td>9.4%</td>
<td>40.6%</td>
<td>29.7%</td>
<td>3.74</td>
<td>1.216</td>
</tr>
<tr>
<td>Ideas that still have not been tested are usually presented in the organisation</td>
<td>6.5%</td>
<td>13.8%</td>
<td>10.9%</td>
<td>40.6%</td>
<td>20.3%</td>
<td>3.49</td>
<td>1.368</td>
</tr>
<tr>
<td>Employees in the organisation receive support and encouragement when presenting new ideas.</td>
<td>5.8%</td>
<td>19.6%</td>
<td>13.8%</td>
<td>40.6%</td>
<td>20.3%</td>
<td>3.49</td>
<td>1.122</td>
</tr>
<tr>
<td>Management and staff in the organisation often venture into unknown territory</td>
<td>11.6%</td>
<td>21.0%</td>
<td>21.0%</td>
<td>29.7%</td>
<td>16.7%</td>
<td>3.70</td>
<td>0.948</td>
</tr>
<tr>
<td>Management and staff in the organisation are encouraged to take risks</td>
<td>4.3%</td>
<td>15.2%</td>
<td>18.1%</td>
<td>42.0%</td>
<td>20.3%</td>
<td>3.01</td>
<td>1.273</td>
</tr>
<tr>
<td>Initiative in the organisation from employees often receives a favorable response here, so people feel encouraged to generate new ideas</td>
<td>8.7%</td>
<td>18.8%</td>
<td>21.7%</td>
<td>34.1%</td>
<td>16.7%</td>
<td>3.56</td>
<td>1.285</td>
</tr>
<tr>
<td>Employees in the organisation are encouraged to take calculated risks with new ideas</td>
<td>10.9%</td>
<td>25.4%</td>
<td>12.3%</td>
<td>31.9%</td>
<td>19.6%</td>
<td>3.86</td>
<td>1.175</td>
</tr>
</tbody>
</table>

4.3.3 Effect of Proactiveness on Business Organizations

The study sought to establish whether proactiveness was adopted at Safaricom (K) Limited as a growth strategy of corporate entrepreneurship. The findings show that the highest ranked item was Safaricom (K) Limited is consistently looking for new business opportunities.
opportunities in the sector (M=3.71;SD=1.251) this was followed by Safaricom (K) Limited marketing efforts try to lead customers rather than respond to the needs to customers (M=3.70;SD=1.205) and In dealing with competition, Safaricom (K) Limited is very seldom the first business to introduce new products/services, administrative techniques and operating technologies (M=3.69;SD=1.317).

Table 4.3: Effect of Proactiveness on Business Organization Growth

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In general, the top managers of my firm have a strong tendency to be ahead of other competitors in introducing novel ideas or products</td>
<td>4.3%</td>
<td>12.3%</td>
<td>12.3%</td>
<td>45.7%</td>
<td>25.4%</td>
<td>2.41</td>
<td>1.493</td>
</tr>
<tr>
<td>In dealing with competition, my firm is very seldom the first business to introduce new products/services, administrative techniques and operating technologies</td>
<td>9.4%</td>
<td>17.4%</td>
<td>28.3%</td>
<td>30.4%</td>
<td>14.5%</td>
<td>3.69</td>
<td>1.317</td>
</tr>
<tr>
<td>In dealing with competition, my firm typically responds to action which competitors initiate as compared with initiating action which the competition then responds to</td>
<td>8.7%</td>
<td>17.4%</td>
<td>15.9%</td>
<td>23.2%</td>
<td>34.8%</td>
<td>3.56</td>
<td>1.318</td>
</tr>
<tr>
<td>The organisation is consistently looking for new business opportunities in the sector</td>
<td>7.2%</td>
<td>10.9%</td>
<td>13.8%</td>
<td>37.0%</td>
<td>31.2%</td>
<td>3.71</td>
<td>1.251</td>
</tr>
<tr>
<td>The organisation marketing efforts try to lead customers rather than respond to the needs to customers</td>
<td>13.0%</td>
<td>13.0%</td>
<td>13.8%</td>
<td>31.9%</td>
<td>28.3%</td>
<td>3.70</td>
<td>1.205</td>
</tr>
<tr>
<td>The organisation works to find new businesses or markets to target in the sector</td>
<td>7.2%</td>
<td>10.9%</td>
<td>24.6%</td>
<td>39.9%</td>
<td>17.4%</td>
<td>3.50</td>
<td>1.185</td>
</tr>
<tr>
<td>The organisation incorporates solutions to unarticulated customer needs in our products and services</td>
<td>4.3%</td>
<td>5.8%</td>
<td>21.0%</td>
<td>53.6%</td>
<td>15.2%</td>
<td>3.19</td>
<td>1.270</td>
</tr>
<tr>
<td>The organisation continuously tries to discover additional needs of our customers of which they are unaware</td>
<td>15.9%</td>
<td>23.2%</td>
<td>13.0%</td>
<td>39.1%</td>
<td>8.7%</td>
<td>3.59</td>
<td>1.106</td>
</tr>
<tr>
<td>The organisation takes a bold and aggressive approach when competing with other players in the sector</td>
<td>5.8%</td>
<td>22.5%</td>
<td>11.6%</td>
<td>30.4%</td>
<td>29.7%</td>
<td>3.31</td>
<td>1.207</td>
</tr>
<tr>
<td>The organisation is always trying to undo and out-maneuver the competition as best as it can</td>
<td>5.1%</td>
<td>13.0%</td>
<td>7.2%</td>
<td>40.6%</td>
<td>34.1%</td>
<td>3.24</td>
<td>1.321</td>
</tr>
</tbody>
</table>
4.4 Inferential Statistics

This section of the study presents the inferential findings of the study. The study used correlation analysis to measure the strength of association between the independent and dependent variables and regression analysis to measure the direction of the relationship between the independent and dependent variables.

4.4.1 Correlation Analysis

The correlation analysis showed that all the independent variables had a positive and significant relationship with business growth. Table 4.4 shows that there was a positive and significant relationship with innovation \((r = 0.298; p < 0.000)\), risk taking \((r = 0.199; p < 0.017)\) and proactiveness \((r = 0.119; p < 0.025)\).

<table>
<thead>
<tr>
<th>Table 4.4: Innovation, Risk Taking, Proactiveness and Business Growth Correlation</th>
<th>Innovation</th>
<th>Risk taking</th>
<th>Proactiveness</th>
<th>Business growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Risk taking</td>
<td>Pearson Correlation</td>
<td>.316(**)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>143</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Proactiveness</td>
<td>Pearson Correlation</td>
<td>-.040</td>
<td>.154</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.633</td>
<td>.066</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>143</td>
<td>143</td>
<td>143</td>
</tr>
<tr>
<td>Business growth</td>
<td>Pearson Correlation</td>
<td>.298(**)</td>
<td>.199(*)</td>
<td>.119</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.017</td>
<td>.025</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>143</td>
<td>143</td>
<td>143</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

4.4.2 Regression Analysis

The study conducted a regression analysis to establish the direction of the relationship between the independent and dependent variable. Table 4.5 shows the model summary
which shows that the $R^2$ is 0.634 which means that 63.4% of variation in business growth is due to the three independent study variables.

### Table 4.5: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.796(a)</td>
<td>.634</td>
<td>.620</td>
<td>3.15259</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Innovation, Risk taking, Proactiveness

Table 4.6 shows the ANOVA results of the multiple regression analysis. The findings show that the significance level is $< 0.005$ ($p = 0.002$). This findings imply that the regression model is significant in explaining change in the study dependent variable.

### Table 4.6: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1840.966</td>
<td>4</td>
<td>460.242</td>
<td>46.307</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1063.453</td>
<td>107</td>
<td>9.939</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2904.420</td>
<td>111</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Innovation, Risk taking, Proactiveness

b Dependent Variable: Business growth

The regression coefficients show the size of the effect of the independent variables on the dependent variable. Table 4.7 shows that an increase in innovation, risk taking and proactiveness lead to an increase in business growth of Safaricom (K) Limited. The findings further revealed that innovation ($\beta = 0.639, p < 0.005$) had the greatest effect on business growth followed by risk taking ($\beta = 0.378, p < 0.005$) and proactiveness ($\beta = 0.212, p < 0.005$) at Safaricom (K) Limited. The proposed regression model thus becomes:

$$Y = 13.179 + 0.212 X_1 + 0.378 X_2 + 0.639 X_3 + \epsilon$$
Table 4.7: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>B</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>13.179</td>
<td>1.377</td>
<td>2.548</td>
</tr>
<tr>
<td></td>
<td>Innovation</td>
<td>.639</td>
<td>.106</td>
<td>.102</td>
</tr>
<tr>
<td></td>
<td>Risk taking</td>
<td>.378</td>
<td>.098</td>
<td>.062</td>
</tr>
<tr>
<td></td>
<td>Proactiveness</td>
<td>.212</td>
<td>.106</td>
<td>.467</td>
</tr>
</tbody>
</table>

b Dependent Variable: Business growth

4.5 Chapter Summary

This chapter presented the results and findings of the study. The chapter is presented in subsections of the background information, descriptive and inferential statistics. The descriptive statistics was presented in line with the study research questions and the correlation and regression analysis was done between the independent and dependent variables.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents the discussion, conclusion and recommendations of the research. The summary comprises the background of the study and the research methodology used in the study. The discussion and conclusion are presented in line with the study research questions. The recommendations are presented in regard of implications and areas for further research.

5.2 Summary of findings
The aim of the study was to examine impact of corporate entrepreneurship strategy on growth of business organisations focusing on Safaricom (K) Limited. The study aimed at answering the following research questions: what is the effect of innovation on business organizations? What is the effect of risk taking on business organizations? And what is the effect of proactiveness on business organizations?

The research methodology adopted was the descriptive research method. It focused on three groups namely middle and upper level management and operatives for Safaricom (K) Limited departments. The sample size of the study was 143 staff. Data collection was done by a structured questionnaires. This data was analyzed through the descriptive statistics, correlation and regression analysis using SPSS Version 21. The findings were presented in tables and figures and researcher’s own interpretation.

The background information showed that male study participants represented 56.0 % compared to the female representation of 44.0 %; 30-39 years were 64.0 %, 17.0 % were aged 20-29 years, 15.0 % were 40-49 years and 4.0 % were above 50 years of age; 47.0 % had a bachelor’s degree level of education, 31.0 % had postgraduate degree, 13.0 % certificate and 9.0 % had a diploma level of education and in regard to working experience, 39.0 % had 5-10 years working experience, 34.0 % had more than 10 years and 27.0 % had 0-5 years’ work experience at Safaricom (K) Limited.

In terms of process innovation, the findings show that the highest ranked score for process innovation was that Safaricom (K) Limited adopted advanced real-time process control technology (M=4.17; SD=1.124). In regard to product innovation, the findings
showed that the highest ranked statement was Safaricom (K) Limited extended numbers of product lines (M=4.04; SD=1.220). The study results revealed that the highest ranked item was Safaricom (K) Limited leads in innovative promoting methods to markets (M=3.50; SD=1.210). In terms of the organisational innovation, the highest ranked item was that Safaricom (K) Limited engaged in business process re-engineering (M=3.67; SD=1.286). The correlation results showed that there was a positive and significant relationship with innovation ($r = 0.298; p < 0.000$) and the regression analysis showed that innovation ($\beta = 0.639, p < 0.005$) had the greatest effect on business growth in Safaricom (K) Limited.

In terms of risk taking, the highest ranked item was Safaricom (K) Limited employees are encouraged to take calculated risks with new ideas (M=3.86; SD=1.175), this was followed by top managers of Safaricom (K) Limited believed that, owing to the nature of the environment, it is best to explore the environment gradually via careful, incremental behavior (M=3.75; SD=1.100) and The organisation has a willingness to commit significant resources to opportunities to new business opportunities (M=3.74; SD=1.216). The correlation results revealed that risk taking ($r = 0.199; p < 0.017$) had a positive and significant relationship with business growth. The regression analysis showed that risk taking ($\beta = 0.378, p < 0.005$) had an effect on business growth on Safaricom (K) Limited.

The findings show that the highest ranked item was Safaricom (K) Limited is consistently looking for new business opportunities in the sector (M=3.71;SD=1.251) this was followed by Safaricom (K) Limited marketing efforts try to lead customers rather than respond to the needs to customers (M=3.70;SD=1.205) and In dealing with competition, Safaricom (K) Limited is very seldom the first business to introduce new products/services, administrative techniques and operating technologies (M=3.69; SD=1.317). The correlation results also showed a positive and significant relationship between proactiveness ($r = 0.119; p < 0.025$) and business growth. The regression analysis indicated that proactiveness ($\beta = 0.212, p < 0.005$) had an effect on business growth at Safaricom (K) Limited.
5.3 Discussion
5.3.1 Effect of Innovation on Business Organizations

The descriptive results showed that process innovation was the most ranked innovation strategy that was adopted at Safaricom (K) Limited. The study results showed that there was a positive and significant relationship between innovation and growth of business organisation and the regression analysis showed that innovation had the greatest effect on business growth among the three study variables.

According to Porter (Schumpeter, 1934; Porter, 1980) the concept of innovation is associated with the economic aim of creating differentiation (to enhance the monopolistic control of an organisation in lieu to its customers). The concept of innovation has received much attention in terms or research in different disciplines and can be described along different dimensions such as newness or novelty (Tidd & Bessant, 2009), and is also classified on the direction it focuses such as the product, market, process and/or business system (Jenssen & Randøy, 2006; Jenssen & Nybakk, 2009).

Garcia (2014) agrees that process innovation refers to the new organisational forms and knowledge, policies and procedures that are embodied in the distribution applications, products, channels and consumers’ needs, preferences and expectations. Process innovation is associated with the implementation of a significantly improved or new delivery method or production.

This study findings agree with earlier studies (Parisi et al., 2006; Hall et al., 2009) that process innovation contributes more to productivity increase than product innovation. This finding also supports Eiriz et al. (2013) arguments that firms get more concerned with efficiency aspects, therefore process innovation tends to be the focus of firms’ innovation strategies. This study finding is also supported by Mwangi and Namusonge (2014) study on influence of innovation on SMEs in Nakuru County and found that indicated that process innovation was crucial to coming up with quality designs of products that help meet user wants and needs. Majority of respondents agreed that process innovation was crucial in coming up with quality designs of products that will help meet user wants and needs.

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5.3.2 Effect of Risk Taking on Business Organizations

The descriptive results revealed that employees at Safaricom (K) Limited were encouraged to take calculated risks with new ideas. The correlation results revealed that risk taking had a positive and significant relationship with business growth. The regression analysis showed that risk taking had an effect on business growth on Safaricom (K) Limited.

This study findings therefore suggest that risk taking is a favourable means of an organisation to achieve growth. This finding implies that employees and managers at Safaricom (K) Limited are encouraged to take risks in their work. This form of risks are associated with improved performance through coming up with innovative ideas which have such impacts as reduced costs and creating new markets and meeting customer needs in the telecommunication sector.

This finding agrees with earlier studies such as Wang and Poutziouris (2010) empirical studies done in developed and transition economies which suggested that risk taking as a firm-level strategic posture has constitutes a potential source of competitive advantage and has positive, long-term impact on financial performance and growth of SMEs. Moreover, this finding corroborates past study (ies) of Gibb and Haar (2010) conducted an empirical research among 167 New Zealand organisations and confirmed that a profile of an organisation risk taking often leads to a high financial performance. In Taiwan, Wang and Yen (2012) found that risk taking has a positive impact with organisation performance among SMEs in China.

The concept of risk taking is that it is a major feature of entrepreneurship whereby a high risk taking orientation thus leads to a high organisation growth and profitability Zhou and de Wit (2009) view risk taking as a propensity to take brave actions such as to venture to new markets, and a using a large size of resources to venturing with unclear outcomes and borrowing huge amounts to make business investments.

Risk taking involves engagement in manageable and calculated risks in an attempt to achieve benefits rather than having daring risks which can negatively affect organisation performance (Dess & Lumpkin, 2005; Morris, Kuratko & Covin, 2008). Empirical studies done in developed and transition economies suggest that risk taking as a firm-level
strategic posture has constitutes a potential source of competitive advantage and has positive, long-term impact on financial performance and growth of SMEs (Wang & Poutziouris, 2010).

5.3.3 Effect of Proactiveness on Business Organizations

The descriptive statistics indicated that Safaricom (K) Limited is consistently looking for new business opportunities in the sector. The correlation results also showed a positive and significant relationship between proactiveness and business growth. The regression analysis indicated that proactiveness had an effect on business growth at Safaricom (K) Limited. This findings suggests that proactiveness was a CE approach that was adopted at Safaricom (K) Limited to achieve and sustain competitive advantage in the telecommunication sector.

This finding corroborates past results of studies on the relationship between proactiveness and business performance and growth. Karacaoglu et al. (2013) using a sample of 140 industrial manufacturing firms listed on Istanbul Stock Exchange (ISE) found that the original dimensions of entrepreneurship orientation (risk taking innovation and proactiveness) had direct interaction with organisation financial performance.

In a similar study in Netherlands, Kraus, Rigtering, Hughes and Hosman (2012) survey among 164 SMEs found that proactive SMEs behaviour had a direct influence on SME performance during the economic crisis. In Sri Lanka, Kumarpeli and Semasinghe (2015) research on the impact of entrepreneurial orientation on the growth of SMEs in Sri Lanka found that the relationship between proactiveness and firm growth was not significant.

Ejdys (2016) conducted a study on innovativeness and entrepreneurial orientation of SMEs. The research results show that proactiveness has a significant positive total effect on improving innovativeness. The study concluded that proactiveness was positively and significantly related to organisation innovativeness. In Malaysia, Arshada, Raslib, Arshad and Zain (2014) research found that among the five dimensions of EO, proactiveness had the highest correlation with business performance and proactiveness had an effect on business performance.
Oni (2012) investigated the importance of entrepreneurial proactiveness on firm performance and the findings revealed that enterprises that acted on high entrepreneurial proactiveness had a direct effect on the performance metrics which are consistent with employment of competent and qualified personnel and size. In Kenya, Wambugu et al. (2015) concluded that, proactiveness was a major predictor of firm performance of agro processing SMEs in Kenya in terms of employee growth and profitability.

5.4 Conclusion

5.4.1 Effect of Innovation on Business Organizations
The study sought to establish effect of innovation on business growth at Safaricom (K) Limited. The study results confirmed that innovation had the greatest influence on business growth among the three dimensions of corporate entrepreneurship. Therefore, this study concludes that innovation has the greatest effect on business growth at Safaricom (K) Limited.

5.4.2 Effect of Risk Taking on Business Organizations
The study sought to establish effect of risk taking on business growth at Safaricom (K) Limited. The study results indicated that there was a positive relationship between risk taking and business growth. The results confirmed that risk taking had the least effect on business growth of Safaricom (K) Limited. Therefore, this study concludes that risk taking has the least effect on business growth of Safaricom (K) Limited.

5.4.3 Effect of Proactiveness on Business Organizations
The study sought to establish effect of proactiveness on business growth at Safaricom (K) Limited. The study results affirmed a positive relationship between proactiveness on business growth. The findings further confirmed that proactiveness had the second largest effect on business growth at Safaricom (K) Limited among the three corporate entrepreneurship dimensions measured. Therefore, this study concludes that proactiveness had the second highest effect on business growth at Safaricom (K) Limited.
5.5 Recommendations
5.5.1 Recommendations for Implications

5.5.1.1 Effect of Innovation on Business Organizations
The study findings showed that process innovation had the greatest effect on business growth. The study therefore recommends that Safaricom (K) Limited should endeavor to enhance their process innovations to improve the organization’s forms and knowledge, policies and procedures that are embodied in the distribution applications, products, channels and consumers’ needs, preferences and expectations.

5.5.1.2 Effect of Risk Taking on Business Organizations
The study findings revealed that risk taking had the least effect on business growth. The study therefore recommends that Safaricom (K) Limited should encourage risk taking among its staff, project teams and managers to enable the organisation capture new markets in the telecommunication sector in Kenya.

5.5.1.3 Effect of Proactiveness on Business Organizations
The study findings revealed that proactiveness had the second greatest effect on business growth. The study therefore recommends that Safaricom (K) Limited should enhance its proactive tendency in searching for emerging technologies, markets and opportunities in the growing telecommunications sector in Kenya.

5.5.2 Recommendations for Further Study
The aim of the study was to examine impact of corporate entrepreneurship (CE) strategy on growth of business organisations focusing on Safaricom (K) Limited. The study recommends for further research on the impact of CE on business growth in other industries and sectors. Second, the study was scope was limited to the CE dimensions of (1) pro-activeness, (2) risk-taking, (3) innovations. The study recommends for inclusion self-renewal as the fourth dimension of CE in future studies of corporate entrepreneurship.
REFERENCES


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APPENDICES
APPENDIX 1: LETTER OF INTRODUCTION

Dear Respondent

RE: COLLECTION OF DATA

My name is Janet Katule Mutuku. I am currently a final year MBA student at USIU University. As part of my course requirements, I am expected to conduct a research and present it as a thesis. My topic is on IMPACT OF CORPORATE ENTREPRENEURSHIP STRATEGY ON GROWTH OF BUSINESS ORGANIZATIONS IN KENYA: A CASE OF SAFARICOM LIMITED. You are asked to provide answers on questions about corporate entrepreneurship strategy. Any information you provide will be treated with uttermost confidentiality. All the information provided will be used for academic exercise only. Please contact the researcher on the contact information provided.

Your cooperation will be highly appreciated. Thank you.

Yours faithfully,

JANET K. MUTUKU
USIU MBA Student
Phone: 0723 211 078
Email: janetkatule@gmail.com
APPENDIX II: QUESTIONNAIRE FOR STAFF

Instructions:

Bitte Tick (✓) die appropriate category in the spaces provided

The questionnaire will take approximately 20 minutes to complete

Part A: Demographic Characteristics

1. What is your Gender?
   a. Male (  )
   b. Female (  )

2. What is your Age?
   a. 20 - 29 (  )
   b. 30 – 39 (  )
   c. 40 – 49 (  )
   d. Over 50 years (  )

3. What is your highest level of education?
   a. Certificate (  )
   b. Diploma (  )
   c. Bachelor’s degree (  )
   d. Postgraduate degree (  )

4. Number of years worked in the company?
   a. 0-5 years (  )
   b. 5-10 years (  )
   c. Over 10 years (  )
Part B: Effect of Innovation on Business Growth

5. The following statements are related to the effect of innovation on business growth. Please indicate to what extents do you agree or disagree with the following statements. Where (1 Strongly Disagree - 5 Strongly Agree)

<table>
<thead>
<tr>
<th>Innovation statements</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td><strong>Process Innovation</strong></td>
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<tr>
<td>Our company adopts advanced real-time process control technology</td>
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<td>Our company imports advanced automatic quality restriction equipment/software</td>
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<td>Our company imports advanced programmable equipment</td>
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<td><strong>Product Innovation</strong></td>
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<td>Our company launches new products</td>
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<td>Our company extends numbers of product lines</td>
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<td>Our company enlarges new markets with new product development</td>
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<td>Our company launches customized products according to market demands</td>
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<td><strong>Market Innovation</strong></td>
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<td>Our company leads innovative distributing methods to markets</td>
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<td>Our company leads innovative promoting methods to markets</td>
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<td>Our company continually enlarges potential demand markets</td>
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<td><strong>Organisational Innovation</strong></td>
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<td>Our company engages in organizational reconstruction for pursuing operational efficiency</td>
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<td>Our company adopts innovative reward systems</td>
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<td>Our company adopts innovative work designs</td>
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<td>Our company engages in business process re-engineering</td>
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</table>
Part C: Risk Taking and Firm Growth

6. The following statements are related to the effect of risk taking on business growth. Please indicate to what extent do you agree or disagree with the following statements. Where (1 Strongly Disagree - 5 Strongly Agree)

<table>
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<tr>
<th>Risk taking Statements</th>
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<tr>
<td>The top managers of my firm believe that, owing to the nature of the environment, it is best to explore the environment gradually via careful, incremental behavior</td>
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<td>When confronted with decision-making situations involving uncertainty, my firm typically adopts a cautious, “wait-and-see” posture in order to minimize the probability of making costly decisions</td>
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<td>The top managers of my firm have a strong proclivity for low risk projects</td>
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<td>The organisation has a willingness to commit significant resources to opportunities to new business opportunities</td>
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<td>Ideas that still have not been tested are usually presented in the organisation</td>
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<td>Employees in the organisation receive support and encouragement when presenting new ideas.</td>
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<td>Management and staff in the organisation often venture into unknown territory</td>
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<tr>
<td>Management and staff in the organisation are encouraged to take risks</td>
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<td>Initiative in the organisation from employees often receives a favorable response here, so people feel encouraged to generate new ideas</td>
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<tr>
<td>Employees in the organisation are encouraged to take calculated risks with new ideas</td>
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### Part D: Effect of Proactiveness on Firm Growth

7. The following statements are related to the effect of proactiveness on business growth. Please indicate to what extents do you agree or disagree with the following statements. Where (1 Strongly Disagree - 5 Strongly Agree)

<table>
<thead>
<tr>
<th>Proactiveness Statements</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>a. In general, the top managers of my firm have a strong tendency to be ahead of other competitors in introducing novel ideas or products</td>
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<td>b. In dealing with competition, my firm is very seldom the first business to introduce new products/services, administrative techniques and operating technologies</td>
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<td>c. In dealing with competition, my firm typically responds to action which competitors initiate as compared with initiating action which the competition then responds to</td>
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<td>d. The organisation is consistently looking for new business opportunities in the sector</td>
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<td>e. The organisation marketing efforts try to lead customers rather than respond to the needs to customers</td>
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<td>f. The organisation works to find new businesses or markets to target in the sector</td>
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<td>g. The organisation incorporates solutions to unarticulated customer needs in our products and services</td>
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<td>h. The organisation continuously tries to discover additional needs of our customers of which they are unaware</td>
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<td>i. The organisation takes a bold and aggressive approach when competing with other players in the sector</td>
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<td>j. The organisation is always trying to undo and out-maneuver the competition as best as it can</td>
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