

Entrepreneurial intensity and Performance Outcomes among Kenyan Firms

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Abstract

Given shrinking markets price pressures and the need to survive and excel in a highly competitive business environment firms have to continually renew themselves in order to remain relevant in their chosen markets. Corporate entrepreneurship is one of the ways to enhance innovative and entrepreneurial activity of employees and to increase firm performance through the creation of new products services strategy and organizational conditions (Bau & Wagner, 2010). It is therefore necessary to understand the intensity of entrepreneurial activity in firms and how this influences performance outcomes. By reviewing literature an instrument was developed based on four descriptors of an organizational climate for successful Corporate Entrepreneurship, namely entrepreneurial mindset, support for innovation rules for an innovative environment and intrapreneurial environment. The instrument was tested for reliability and validity on a Kenyan sample and used to investigate how entrepreneurial intensity (how much the enabling climate exists in a firm) influences performance outcomes (entrepreneurial outcomes). An exploratory survey of 39 respondents' from firms in Kenya was conducted using structured questionnaires as data collection instruments. Data was analyzed using descriptive statistics to determine the entrepreneurial intensity and regression analysis to discern the influence of the intensity on performance outcomes. The results suggest that there is low entrepreneurial intensity leading to moderate performance outcomes. The results of this study are of practical significance in two ways. First they reveal a low entrepreneurial intensity in the studied firms and point to areas that need improvement. Secondly, the relative influence of the entrepreneurial intensity dimensions on performance outcomes are revealed to aid in the prioritization of actions necessary to achieve better performance. This is the first attempt at investigation of entrepreneurial intensity using an instrument developed using a Kenyan sample.

Key words: Entrepreneurship intensity, mindset, innovation, intrapreneurial environment, performance