



INNOVATION AND PERFORMANCE OF COMMERCIAL GOVERNMENTAL CORPORATIONS IN KENYA

Otieno Nicholas Ridley Nyesi & Dr. Dennis Juma, PhD

INNOVATION AND PERFORMANCE OF COMMERCIAL GOVERNMENTAL CORPORATIONS IN KENYA

Otieno Nicholas Ridley Nyasi¹ & Dr. Dennis Juma, PhD²

¹Master Student, Jomo Kenyatta University of Agriculture and Technology, Kenya

²Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

Accepted: October 3, 2024

DOI: <http://dx.doi.org/10.61426/sjbcm.v11i4.3086>

ABSTRACT

Satisfactory performance of the Governmental corporations is crucial to the social economic development of any country. However, their performance has been observed to be unsuitable in a number of ways. The main purpose of this study was to determine the effect of innovation on the performance of commercial Governmental corporations in Kenya. The study was guided by five theories, namely; Resource based view theory, creativetheory of entrepreneurship, Institutional. theory, Schumpeter's innovation theory and theory of corporate entrepreneurship. To obtain a full description of a single phenomenon within its context survey was used as a tool for data collection. The study used causal research design. According to the presidential task group report on state corporations, the studied population in Kenya comprised of 55 commercial Governmental firms. For the purpose of this study, a census of the entire 55 commercial governmental corporation in Kenya was used. The questionnaires were used as an instrument of data collection. The data collected after sorting was coded, and statistical package for social sciences (SPSS version 22) analyzed it. Data was analyzed using descriptive and inferential statistics and results presented in form of tables and graphs. A simple linear regression was carried out in order to ascertain independent factors effects on the dependent variable. The study found that, the level of innovativeness significantly influence performance. The study concluded that innovation practices affect the performance of commercial Governmental organizations. The results provided a basis upon which management of Governmental corporations would enhance their performance through proper management on innovation. The study recommended that management of commercial governmental corporations should embrace and understand dimension of innovation practices.

Key words: Innovations, Entrepreneur Practices, Performance

CITATION: Otieno, N. R. N., & Juma, D. (2024). Innovation and performance of commercial governmental corporations in Kenya. *The Strategic Journal of Business & Change Management*, 11 (4), 344 – 358. <http://dx.doi.org/10.61426/Sjbcm.v11i4.3086>

INTRODUCTION

In recent times, organizations are beginning to see the importance of entrepreneurship practices within organizations. The aim of entrepreneurship is to develop a new venture within organizations in order to exploit a new opportunity to promote economic value and organizational performance improvement (Moriano, Molero, Topa & Mangin, 2014). In pursuit of improved performance, firms can benefit greatly from allowing entrepreneurship persons to identify and implement product, service or process innovation in markets. Towards the end of the last century, a term entrepreneurship was introduced to represent such regime of autonomy, self-directedness and innovation in the organizations. Intrapreneurs are generally greatly self-driven, hands-on and pragmatic individuals who are feel at ease with inventive moves within the limits of an organization in quest of an innovative product or service (Baruah & Ward, 2015). The comprehensive analysis seeks to establish the influence of entrepreneurship on Performance of Commercial governmental Corporations in Kenya. entrepreneurship refers to the process carried out within the firm, regardless of size, leading to innovative new projects or activities, including the development of new products, services or other aspects (Gawke, Gorgievski & Bakker, 2017).

In Ghana, entrepreneurship has been shown to positively impact the performance of state corporations. entrepreneurship gives employees a sense of ownership and responsibility, which can lead to greater motivation and higher productivity. In addition, it gives employees the freedom to explore new ideas and develop innovativesolutions, which can lead to improved efficiency and increased profits. entrepreneurship also encourages risk-taking, which can lead to the development of new products or services that can benefit the company. Finally, entrepreneurship can foster collaboration and encourage employees to work together towards the common goal of success and growth for the company (Appiah-Kubi, 2017).

Commercial corporations are businesses that are

owned by private individuals or groups of individuals. These companies are created to make profits, which are distributed among the owners. Commercial corporations are typically involved in activities such as manufacturing, trading, finance, construction and real estate, retailing, transportation, energy, and communications (Pittenger & Wolfe, 2019).

In Kenya, commercial corporations are regulated by the Companies Act, 2015. This Act provides the legal framework for companies in Kenya, including the creation and regulation of commercial corporations. The Act outlines the requirements for setting up a company, the rights and obligations of shareholders, directors, and other stakeholders, and the procedures for winding up a company (Finch & Milman, 2017).

The Kenyan government has implemented policies and procedures to promote the growth of commercial corporations. These include incentives such as tax holidays and duty exemptions for new companies and encouraging foreign direct investment. The government also provides support to companies through the Kenya Investment Authority, which is tasked with promoting and facilitating investments into thecountry

The process of innovation, according to the United Kingdom Department of Trade and Industry (2007), entails taking a chance and developing it into unique ideas that are later widely embraced. The notion of innovation in corporate development and economic progress was pushed by German economist Joseph Schumpeter. He claims that the elements of innovation include creativity, research and development (R&D), new procedures, new products, and technological advances (Van Lancker & Van Huylenbroeck, 2016). Innovation, according to Barasa et al. (2017), is the process of making new resources more valuable or altering and enhancing current resources to make them more valuable. For a nation's economy to advance and for an industry to remain competitive, according to Beaver (2014), innovation is a crucial component. Due to the problem of resource limitations that a corporation

faces, innovation is also regarded as a successful strategy to increase corporate productivity. Mas-Tur and Soriano (2014) emphasize that a company's capacity for product and business innovation is essential for it to take advantage of new opportunities and to establish a competitive edge.

According to Gawke et al. (2019), improvement is a result of both internal business operation improvement and reengineering. This interaction involves many facets of a company's capabilities, such as specialized planning, R&D, manufacturing, the board, and the statement that market development plays a major role in meeting industry requirements and responding to market opportunities. Inventiveness mirrors a company's inclination to take part in, and uphold, groundbreaking thoughts, uniqueness, experimentation and innovative cycles that may bring about new items, administrations, or mechanical cycles (Mas-Tur & Soriano, 2014). Imaginative firms have abilities to screen the market changes and react rapidly, hence gaining by arising openings. As indicated by Huse et al. (2015), firms working in fierce conditions are regularly described by quick and successive new item creation and undeniable degrees of innovative work. Such conditions seem to assume a vital part in impacting corporate business venture in an association. Natural changes invigorate firms to develop by presenting new innovations, new items, administration and cycles to make the most of chances emerging from the powerful climate. Experienced changes in ecology create an urge in organizations to be more aggressive in development. Advancement keeps firms in front of their rivals, subsequently acquiring an upper hand that prompts improved monetary outcomes (Wiklund, 2013).

Bierwerth et al. (2015) characterize development as the association's capacity to make new items and effectively acquaint them with the market. Advancement additionally amends the association's information base, permitting it to grow new serious methodologies, which can be abused in new

unfamiliar business sectors to accomplish development and benefit. According to Bierwerth et al (2015), organizations that are trend-setters put together their concentration with respect to new advancements and increase development levels. Labunska et al. (2017) express that at the focal point of business venture is level of advancement. An association that develops is delegated being innovative. Pioneering exercises impact an organization's obligation to development by offering creative items and cycles. As indicated by Bigliardi (2013), advancement has become a wellspring of global upper hand.

Bierwerth et al. (2015) expressed that advancement can likewise prompt the advancement of key abilities that can improve an association's presentation. They additionally put accentuation on the way that development creates items, products, cycles, administrations and frameworks that can be utilized to address client issues and fabricate a solid market position. Consequently, advancement increases association's productivity and promotes development. Perfect management from the managers leads to continuous advancement and development. Van Lancker and Van Huylenbroeck (2016) expressed that advancement can be recognized freely: the improvement of new items and administrations, the appropriation of new innovations with a goal to improve creation strategies, the foundation of novel authoritative constructions and managerial frameworks. Reexamining things in a useful approach is a component of advancement. Because of its level of entrepreneurial behavior, the company is able to continuously assess potential business prospects that could lead to growth and long-term profitability (Lumpkin & Dess, 2013).

As noted by Drucker (2007), more than ever before, businesses now discover that they need to innovate. A significant portion of the pressure to innovate is brought on by outside forces, such as the development of new and improved technologies, the globalization of markets, the fragmentation of markets, and significant social change. In addition,

some aspects should be adhered to, for example empowering staff to acquire new skills, ensure the firm has qualified workers and also cater for any other internal pressures that may arise.

This push for more innovation in organizations leads to achievement of a sustained competitive edge in terms of new and improved product offerings and superior organizational capabilities (Kreiser et al., 2019). Thus, most researches concur that innovation is vital in improving a firm's competitive position in the marketplace which ultimately leads to better performance of an organization. Marketing competence brought about by a mix of (product, process, marketing organizational) innovation, is seen as one of the most important sources of financial performance (Labunska, et al., 2017) high premium costs, sales gains, and declining marginal unit costs, along with market share and sales growth, may directly contribute to the company's performance goals, leading to a significant increase in total profitability (Hsu & Chen, 2017).

Statement of the Problem

The performance of government corporations however, has been a matter of on-going concern in an environment of resource scarcity. In 2016/17, eleven (11) commercial corporations made losses; this represents 21%, of all commercial oriented Government Owned Entities (RTPR, 2018). Parliament Report (2015) indicated that SCs in Kenya have lost money to tune of Ksh. 2 billion in the financial year of 2015-2016 through fraudulent payment of suppliers. According to PSC report (2019) governmental corporations and Semi-Autonomous Government Agencies (SAGAs) had an overall performance of 58.5 percent for the financial year 2017/2018, which decreased to 44.3 percent in the financial year 2018/2019 (Public Service Commission, 2019). The service delivery among governmental Corporations decreased from 74.3% in 2016 to 49% in 2017, but slightly increased to 57% in 2018. On the other hand, efficiency, effectiveness and economic use of resources decreased from 86.7% in 2016 to 68% in 2017, and further to 57.3% in 2018 (Public Service Commission,

2022; Public Service Commission, 2023). This declined performance is of concern to the Government of Kenya, the people of Kenya and the International Community due to vital role Governmental Corporations are expected to play in enabling socio-economic transformation of Kenya. Research has shown that entrepreneur practices influence organization performance.

Studies show that entrepreneur actions are associated with growth and profitability in business organizations (Antoncic & Hisrich, 2019). In their study, Shepherd and Patzelt (2017) examined how businesses in Botswana foster intrapreneurial activity and build entrepreneurial innovation. Data collected from 217 Portuguese organizations by a questionnaire showed that enterprises' intrapreneurship (with its three different variables such as financial measurements, growth, and productivity) affects firm performance (Felićio et al., 2019). Covin and Miles, (2018) revealed that the level of intrapreneurship within companies is directly proportional to organizational growth and profitability. According to a sample of 200 manufacturing firms in Kenya, corporate entrepreneurship dimensions significantly affected the financial performance of manufacturing organizations in Kenya (Lwamba & Bwisa, 2014).

Bruno (2015) looked at how corporate entrepreneurship affected the performance of governmental firms and focused on being proactive, taking risks, being innovative and competitively aggressive. However, the study overlooked organizational structure, which is a crucial component of intrapreneurship. Zahra, Hayton, and Salvato, (2019) revealed that organizational factors influence the entrepreneur behavior of an organization, supporting or discouraging factors according to the condition in which these factors are positive or negative. Nevertheless, the reviewed studies show that there has been limited research done on the effects of entrepreneur practices on performance of commercial governmental corporations in Kenya. This study adopted entrepreneur practices that had influence on

organization performance. This study therefore sought to answer the question what is the influence of innovation practices on the performance of commercial governmental corporations in Kenya?

Study objective

To determine the effect of innovation on performance of commercial governmental corporations in Kenya

Research Question

H₀₂: Innovation level in Kenya has no significant influence on performance of commercial governmental corporations in Kenya.

LITERATURE REVIEW

Theoretical Literature Review;

Resource-Based View Theory

Penrose put forth this notion in 1959. The company resource ideas on performance holds that high edge performance can only be aligned in its special resources and skills. The theory maintains that founders' access to resources is a critical factor in determining opportunity-based entrepreneurship and the growth of new enterprises. It emphasizes the significance of all organization's resources (Holdford, 2018).

This indicates that when the resources are accessible, there are chances of performance improvement (Hitt et al., 2016). The foundation of a company's operation and performance are its resources, which are also its inputs into the production process (Shepherd & Patzelt, 2017). The researcher argued that an enterprise's assets are integrated in various designs to build a package of resources that gives enterprises ability to achieve and better its operations. In view of the theory of resource-based view perspective (RBV), implementation of new strategies is considered to be an unmeasurable return that offers a market edge to a company, which then leads to better results (Barney, 2014).

In order to outperform competitors, a business might combine tangible and intangible resources including cash, physical assets, and experienced

workers. According to the Resource Based View Theory (RBV), valuable, unusual, and difficult resources are a source of competitive advantage that can increase corporate effectiveness. (Holdford, 2018). In the sense of RBV theory, corporate entrepreneurship (CE) is recognized as an important corporate resource which gives business enterprises competitive advantages over market competitors. The resource-based view therefore makes a major contribution to corporate entrepreneurship as it contributes to durability and thus increases performance (Barney, 2014).

The rate of technological development shortens the useful lives of resources if they are not subjected to constant review and improvement. As with credibility, capabilities are steadily declining. (Zhao & Fan, 2018). Transferability is important because if a company were to acquire the tools or know-how required to duplicate a successful rival's competitive advantage, the rival's advantage would vanish. Transferability is frequently only possible through acquisition or combination with another company, such as a reputation. Corporate entrepreneurship serves as the foundation for growth and competitive tactics (Kozlenkova et al., 2014).

Corporate entrepreneurship revitalizes businesses and secures their survival. To thrive and successfully compete in the marketplace, all business organizations, regardless of size or age, must have a proactive and inventive mindset. (Kreiser et al., 2019). In developing their competitive aggressiveness, the Kenya state corporations pay attention to the resources existing within the firm so as to be able to create value for its customers.

The Creative Theory of Entrepreneurship

This theory's primary subjects are the entrepreneur and the process of starting an enterprise. (Jack & Anderson, 2015; Schumpeter, 1934; Venkataraman, 2003 cited in McKeever, 2015). The three basic pillars of the idea are that opportunities are arbitrary, that they are created rather than recognized, and that entrepreneurs must deal with uncertainty. Opportunities are created through a

series of decisions that are taken to seize a potential chance. They don't have a free will; economic actors make them. They offer the potential for financial gain. The concept weighs uncertainty over hazard. (Packard, 2017).

When an industry is at risk, its credits either change predictably or in ways that are understandable. So, opportunities should be developed and enhanced by a combination of making educated guesses about what would be likely and testing the hypothesis until it usually corresponds with the desired open doors in a firm (Tülüce & Yurtkur, 2015).

There are business models in many sectors where Samsung or Toyota specifically are not in a position to request their clients to come up with new ideas or products, such as the electronics or automotive sectors. Any brand-new things they produce will be beyond the capabilities of their familiarity with the market. As a result, these companies ought to go through a cycle where they create new items, test them on clients, and then figure out which of them are well-known or efficient. Then, they ought to make these goods more enticing by tweaking them (Maryunani & Mirzanti, 2015).

Through testing and mastering theoretical concepts, as well as by examining business sector and industry structures, opportunities are produced. Opportunities are generated by businesspeople as opposed to appearing on their own without the influence of business visionaries. People are not unique; rather, there are differences in their dynamic under intrepid dynamic and susceptible entrepreneurship situations. Even if they provide possibilities, they are not independent. When the right techniques for utilizing existing assets improperly are not applied, dynamic develops (Arend, et al. 2015).

Vulnerability, not danger, is a fundamental condition for business, subsequently dependence on suspicions of vulnerability. Danger refers to a situation where two factors are met: 1) the knowledge of potential future consequences of a choice, as well as the knowledge of the possibility

that each of these consequences will occur, as described in Packard (2017); and 2) the existence of one or more of the other conditions., thus, three positions: all conceivable to be returns acquired later are at hand before dynamic; the results happening is ≤ 1 , yet > 0 ; the likelihood of all results happening = 1. When the likely outcomes of a choice and their potential consequences are unknown, vulnerability exists (Tülüce & Yurtkur, 2015). Leaders don't realize that they are unaware of conceivable upcoming outcomes. This theory is of very much importance to entrepreneurial risk-taking and innovativeness.

Institutional Theory

An analytical framework for examining the adoption and spread of organizational forms and practices is provided by institutional theory (Drori, 2020). It demonstrates how these influences, among others, have an impact on organizational evolution and individual leadership. Fuenfschilling and Truffer (2014) raises those affiliations are impacted by regularizing pressures rising up out of outside sources and the genuine affiliation. Subsequently, an organizational development is seen as an impression of legitimized institutional standards or shared data on conviction systems. It deals with social plan in consideration of cycles through which structures, such as graphs, rules, norms, and timetables become set up as genuine principles for social lead. The theory examinations concerning how these segments are made, diffused, embraced, and changed all through the real world and how they fall into abatement and disregard. The middle is achievement of constancy and solicitation in open movement (Lok, 2019)

Understanding the leaders' intentions and practices that have an impact on how an individual or affiliation is executed is made possible by institutional theory (Popkova, 2018). The speculation shows that an affiliation that makes relations with foundations and follow institutional cues can suffer adequately, have a more imperative sufficiency, allowing a better induction than resources. This is dependent on the assumption that institutional

environments are socially evolved, may generate specific leads, and can also be shaped by individuals working within those environments (Cardinale, 2018).

Institutional theory has experienced change achieving two different ways of reasoning; old and new institutional hypotheses. The value of understanding what entails values, how affiliations evolve or adapt their way of life and configuration to socially recognized qualities, and how such traits weaken and deinstitutionalize, are highlighted over the traditional institutional hypothesis (Willmott, 2019). The old speculation prescribes that to normalize principles and characteristics in affiliations, the people who hold power, for instance, business visionaries or overseers, ought to have the choice to awaken and drive people from a relationship to follow their lead. This old speculation has every now and again been advanced as humanism and organizational branch.

Of course, the new institutional theory promoted by the financial and political sectors is based on the justification that organizational activities are influenced by institutional settings and internal establishments, which are development, lead and execution of an affiliation depend upon the ascribes of the environment where the affiliations' activities happen and inward foundations (Cardinale, 2018). Institutional surroundings incorporate social, political and monetary environments, whereas internal foundations incorporate the objections, development and culture of the affiliation.

This evaluation will be based on the new institutional theory and assume that internal establishments, such as resource-based and administrative-based ones, have an impact on how well a corporation executes. This examination pushes that sign of the resource-based associations which are money related resources, capacities and abilities, data base, culture, and HR, and the definitive based establishments including structure, the board style, inside controls, systems, and methods sway force and execution of the firm (Willmott, 2019).

Lok (2019) suggests that the institutional nature affects the speed and size of new industries by limiting business opportunities. Inadequate company growth hinders the growth of new companies, but a better corporate environment with limited regulations prevents companies from creating and producing them. Entrepreneurs can become discouraged if there are no official regulations or if they are forced to follow a number of rules and regulations that are too expensive to pay (Andersson et al, 2017).

Therefore, this theory is pertinent to the current research since it makes it easier to fulfill the goals about how organizational structure affects company performance.

Schumpeter's Innovation Theory

The role of invention in the entrepreneurial process was initially highlighted by Schumpeter's innovation theory. According to Schumpeter, a process known as "creative destruction" occurs when new goods and/or services compel resources to be transferred from existing businesses to new ones, upending established market structures and producing income for the new businesses (Cardinale, 2018).

As per Schumpeter (1934) referred to via Cardinale (2018) that advancement includes the entire interaction from a promising circumstance recognizable proof, ideation or creation to improvement, prototyping, creation, showcasing and deals, he contended that development happens through new blends made by a business person, bringing about; another item; another cycle; creating new markets and new causes of supply. Pioneering direction is a term that tends to the outlook of firms occupied with the quest for new pursuits.

It has been utilized to portray a genuinely predictable arrangement of related exercises or cycles. Such cycles incorporate a wide assortment of exercises, for example, arranging, examination, dynamic and numerous parts of a company's way of life, esteem framework and mission. Subsequently, enterprising direction might be seen as firm-level

technique making measure that organizations use to order their organizational reason, support their vision and make upper hands (Andrews-Speed, 2016). Consequently, it tends to be contended that innovative direction is a significant proportion of the manner in which a firm is coordinated.

Additionally, Cardinale (2018) cites Penrose (1950) as saying that even ordinary or slack resources can greatly promote entrepreneurial discoveries. Consequently, the management resource is widely available in this instance. This theory contributes to the definition of how corporate intrapreneurial orientation affects company performance. According to the hypothesis, intrapreneurial activities within already-existing corporate organizations serve as a source of renewal and give those firms a competitive advantage over their competitors, which in turn helps to improve organizational performance.

According to the study's relevant application of the human capital theory, intrapreneurs have a positive impact on organizational performance across the board in terms of profitability, development, strategy renewal, market share, and wealth creation (Popkova, 2018). Thus, the Schumpeterian Theory of Innovation plays a key role for intrapreneurs since it allows businesses to introduce new goods or services to the market before rivals, giving them a competitive edge. It supports the corporate enterprise's proactiveness, which includes the desire to seize chances and move quickly in response to environmental changes.

Theory of Corporate Entrepreneurship

An alternate model for entrepreneurial orientation is presented by the CE Model of Lumpkin and Dess in contrast to Lumpkin and Dess (1996) cited in Kreiser, et al. (2019). The five measurements; self-

rule, inventiveness, risk-taking proactiveness, and serious forcefulness are depicted by these authors as having a leading edge. The tendency to operate independently, the willingness to grow and face obstacles, the propensity to be aggressive toward rivals, and the propensity to be proactive relative to commercial center freedoms are key characteristics that define EO.

The study inspects CE-execution connections among firms. In setting of this investigation, the examination receives the applied model of EO-execution relationship by Lumpkin and Dess (1996) referred to in (Javalgi, et al., 2014). The hypothetical model presents an elective model for CE that shows the EO-execution relationship that includes five CE measurements ingenuity, hazard taking, favorable to animation, serious forcefulness and self-sufficiency directed by environmental components dynamism, kindheartedness, intricacy and industry attributes) and organizational variables that is size, structure, procedure, system making measures, firm assets and culture) influence execution of the organizations as deals development, benefit, generally execution and partner fulfillment (Javalgi et al., 2014).

The innovativeness component of CE, which includes organizational, product, and process innovation, as well as financial performance, which includes profit and sales constructions, is used in this study. Meanwhile, the study contends that the innovativeness component of CE has an impact on the banking industry's financial success. (Bierwerth et al., 2015). Because of its emphasis on innovation and how such innovation adds to an organization's long-term competitive power, the theory of corporate entrepreneurship makes a substantial contribution to corporate entrepreneurial performance.

Conceptual Framework

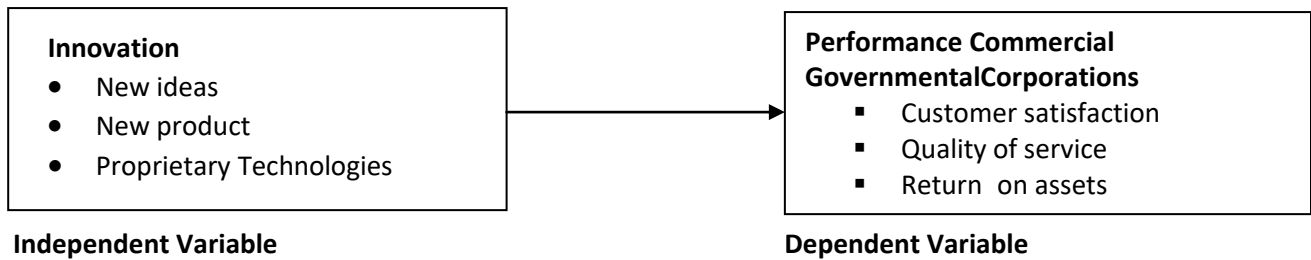


Figure 1: Conceptual Framework

METHODOLOGY

Research Design: The study utilized causal research design which was guided by theory and spotlights on the recurrence with which something happens or the connection between factors. The causal research design was employed to evaluate particular study variables. Causal research design is a method used in scientific studies to determine cause-and-effect relationships between variables. Unlike descriptive or correlational research, which simply identify relationships between variables, causal research seeks to establish that changes in one variable directly cause changes in another variable (Bryman, 2016). The variables on which data was collected were proactiveness, innovativeness, reward system, competitive aggressiveness, organizational structure and performance.

Target Population: According to Mugenda and Mugenda (2003), referenced in Dahabreh and Steingrimsson (2020), a target population those people to which a researcher concentrates his findings on. According to Berthiaume and Yeakley (2014), the target population, also known as the universe, is the entire group of actual or fictitious individuals, incidents, or objects that the researcher desires to apply the findings of the study to. The target population was made up of 55 commercial state corporations in Kenya (Governmental task report, 2015). The senior management team served as the unit of observation for a sample of 55 commercial state corporations

Sample and Sampling Technique: Since the target population was small, this study adopted a census survey of all the 55 commercial state corporations and targeted one key informants from each of the corporations. The 55 commercial governmental corporations of the study comprised of sectors such as East African Affairs, Commerce and Tourism, Education, Science, Industrialization, and Enterprise Development, Agriculture, Livestock and Fisheries, Lands, Housing, and Urban Development, Information, communication, and technology, national treasury, transportation and infrastructure, energy and petroleum, environment, water, and natural resources. For each and every firm, a questionnaire was given and filled by senior manager from any departments of finance, HR, administration or marketing.

Research Instrument: In this study qualitative and quantitative data were used respectively, as well as data from secondary sources. According to Schwab (2005), who is cited by Berthiaume and Yeakley (2014), there are two types of examination procedures: subjective and quantitative. Emerging subjects should make it easier to collect subjective data. Quantitative information is expressed as numbers. Both must be used because neither one by itself is sufficient to collect all samples for an evaluation.

In sociology research, the most used instruments are surveys, meetings, and perception (Orodho, 2003 as cited in Berthiaume and Yeakley, (2014). According to Kothari (2019), used in Rhodes and Kumar (2014), 5-point Likert scales were used since they are stronger and can give more information.

Omwenga (2017) used the Likert scale to conduct research into the effects of rigorous procedures on the relationship between strategic human resources management and Kenyan association performance. To the personnel on the chosen team, questionnaires were given.

Pilot Test: As per Kumar (2005) as cited in Kensbyet al., (2015), guiding is an essential cycle as it guarantees that the estimations are of worthy dependability and legitimacy. The consequences of the guiding were utilized to change any uncertainty in the polls. This was utilized for the Likert type things. Steering in this investigation is significant to give preemptive guidance about where the primary exploration venture could fizzle, where explore conventions which are not followed, or whether proposed techniques or instruments are improper or excessively complex. Copper and Schindler (2020) and Mugenda and Mugenda (2003) opined that a sample of at least 10% of the population is usually acceptable in a pilot study. Thus, to pretest the questionnaire a sample of 6 state corporations was selected for pilot testing so as to check for validity and reliability of the research instrument.

Data Analysis: Meeker and Escobar (2014) sees that SPSS offers broad information taking care of capacities and various factual examination schedules that can break down little to a lot of information. The study used SPSS version 22 for data analysis. Two methodologies were embraced to break down the data assembled from the questionnaires. The principal approach included the utilization of distinct measurements which were advice regarding recurrence appropriations and rates to dissect the attributes of the populace. The

association between the research variables was examined using both a simple linear regression model and a multiple linear regression model.

In order to ascertain the association between intrapreneurship indicators and Kenya's government owned corporation's performance, a multiple regression model was utilized as follows:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Y = Performance

X₁ = Level of Innovation

According to Kombo and Tromp (2012) charts as well as descriptive graphs ensures data obtained will bring about understanding of the complex research issues. This study analyzed descriptive data and presented it in the form of percentages and frequencies by using pie and bar charts. Results of hypothesis testing were presented in summary tables showing the statistically significant figures accompanied by their levels of significance. Data results were systematically organized according to the objectives of the study.

FINDINGS AND DISCUSSION

Response Rate

Punch (2003) advises a response rate of between 80 and 85 percent. A response rate of 50% is deemed sufficient, a rate of 60% is considered good, and a rate of 70% or higher is considered great (Mugenda & Mugenda, 2003). Hence, this study's response rate of 89.09% was very high in comparison to the response rates from the preceding studies.

Table 1: Response Rate

	Sample	Responsive	Percentage
Respondents	55	49	89.09

Descriptive Statistics of the Variable in the Study;

Descriptive for Innovation

The respondents were given the task of designating the extent to which statements on level to which

innovations influence State Corporation's performance in Kenya. The study found out that the majority of the respondents agreed/strongly agreed that; company frequently tries out new ideas (agreed at 57.9% and strongly agree at 26.3%),

company's operation creativity (agreed at 68.4% and strongly agree at 5.3%), company devise new ideas in innovation (agreed at 57.9% and strongly agree at 21.1%), the focus of the company is creating new items (agreed at 57.9% and strongly agree at 5.3%), company makes investments in new product development initiatives and company spends money on creating its own proprietary technologies (agreed at 52.6% and strongly agree at 5.3%). It was also noted that statements with significant disagreement rating were that the company makes investments in new product development initiatives (agreed at 15.8%) and company frequently tries out new ideas (agreed at 10.5%).

Using mean and standard deviation, the study showed that to a large extent (mean

>3.5); company's operational strategies are innovative (mean = 4.11, std dev = 0.65), company's emphasis on developing new products (mean = 3.95, std dev = 0.78), company most of the times invents new ideas (mean = 3.89, std dev = 0.936), company looks for novel approaches to problems

(mean = 3.74 std dev = 0.65), company invests in developing proprietary Technologies (mean = 3.58, std dev = 0.69) and company spends on new product development activities (mean = 3.53, std dev = 0.84). The respondents' opinions were negatively skewed in all the statements on proactiveness.

Inferential statistics

Correlation Analysis

Correlation analysis evaluates the degree to which two variables are correlated. The likelihood of relationships between the variables is examined. It displays the strength and direction of the correlation between the independent factors and the dependent variable. To gauge the relationship between the dependent and independent variables, the study used Pearson moment correlation to check on the association between innovation and performance. The Pearson association between innovation and performance was significant ($r = .139, p < .05$). Positive correlation exists between the independent and dependent variables.

Table 2: Correlation between Innovation and Performance

	Performance	Level of Innovation
Performance	1	
Level of Innovativeness	.139**	1
	55	

Analysis of linear regression;

Linear influence of Innovation and performance

The results also revealed that level of innovation has significant effect on performance of commercial Governmental Corporations in Kenya, $\beta_1 = 0.354, p \text{ value} = 0.001$). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings conform to the findings of Daugherty *et al.* (2019) that there is a very strong relationship between level of innovation and organization performance hence the regression was $Y = 0.239 + 0.354X_1$.

CONCLUSIONS AND RECOMMENDATIONS

The objective was to assess how Kenyan

commercial governmental corporations' performance was influenced by their innovation. This objective was anchored on the hypothesis (H_{02}) that; Innovation has no discernible impact on how well Kenya's governmental corporations perform. Innovation had a strong association with performance ($R = 0.790$). Innovation account for 62.4% of the variation in firm performance (coefficient of determination: $R^2 = 0.624$). The model was statistically significant overall ($F = 69.568, P < .05$). Innovation ($t = 8.341, p < .05$) performance that is highly statistically affected by the individual. According to the data, Kenya's commercial governmental corporations performed far better when they were more innovative. The

amount of innovation was the basis for the performance prediction model;

Performance = 1.025 + 0.791 Innovation

The results were corroborated by those of Mugo and Macharia (2021), who discovered that product developments had an impact on the success of the industry's telecommunications companies. The findings were consistent with those of Werlang and Rossetto (2019), whose key conclusions were that organizational innovativeness is positively and directly influenced by learning orientation, organizational performance is not significantly affected by organizational innovativeness, and learning orientation does not have a positive relationship with organizational performance.

The study also found that level of innovativeness had substantial positive impact on the performance of commercial governmental Corporations in Kenya. It was concluded that commercial governmental firm in Kenya frequently tries out new ideas. The study came to the further conclusion that Kenyan commercial governmental businesses use inventive operational strategies. The study came to the conclusion that some government-run businesses are constantly looking for new approaches to take in order to perform better. The study also found that the governmental -owned company occasionally

placed a focus on creating new items in order to increase their marketability. Finally, the survey found that businesses invest in creating exclusive technologies and innovating new products.

The study recommended that commercial governmental firm in Kenya should frequently try out new ideas of doing things to as a measure to enhance their performance. The study additionally suggested commercial governmental firms should be creative in their methods of operation. The results further suggested that, some state firms should seek out new ways to do things to improve their performance. The findings additionally suggested; the governmental firms should emphasize on developing new products to improve their relevance in the market.

Areas for further studies

The results for the study may be replicated and expanded to include additional state corporations to see if they are accurate. Future studies should use various research tools, such as focus groups and interview guides, to engage participants in discussion and produce comprehensive data that will aid in ringing out better entrepreneur practices for the success of commercial governmental enterprises in Kenya.

REFERENCES

- Ahn, D., Kim, H., & Na, K. J. (2015). Surgeon-performed ultrasound-guided fine-needle aspiration cytology of head and neck mass lesions: sampling adequacy and diagnostic accuracy. *Annals of surgical oncology*, 22(4), 1360-1365. DOI: 10.1245/s10434-014-4119-2.
- Andersson, M., Waldenström, D. de Soto, H. (2017) Recipient of the 2017 Global Award for Entrepreneurship Research. *Small Business Economics* 49, 721–728 (2017). <https://doi.org/10.1007/s11187-017-9948-5>.
- Andrews-Speed, P. (2016). Applying institutional theory to the low-carbon energy transition. *Energy Research & Social Science*, 13, 216-225. <https://doi.org/10.1016/j.erss.2015.12.011>.
- Appiah-Kubi, K. & Rjoub, H (2017). *State-owned enterprises and privatisation in Ghana*. http://cmss.univnt.ro/wp-content/uploads/vol/split/vol_V_issue_2/CMSS_vol_V_issue_2_art.002.pdf.
- Arend, R. J., Sarooghi, H., & Burkemper, A. (2015). Effectuation as ineffectual? Applying the 3E theory-assessment framework to a proposed new theory of entrepreneurship. *Academy of management Review*, 40(4), 630-651. <http://www.jstor.org/stable/43699312>.

- Barasa, L., Knoben, J., Vermeulen, P., Kimuyu, P., & Kinyanjui, B. (2017). Institutions, Resources and Innovation in East Africa: A Firm Level Approach. *Research Policy*, 46,280-291. <https://doi.org/10.1016/j.respol.2016.11.008>.
- Barney, J. B. (2014). How marketing scholars might help address issues in resource-based theory. *Journal of the Academy of Marketing Science*, 42(1), 24-26. DOI:10.1007/s11747-013-0336-7.
- Baruah, B., & Ward, A. (2015). Metamorphosis of intrapreneurship as an effective organizational strategy. *International Entrepreneurship and Management Journal*, 11(4), 811-822. <https://doi.org/10.1007/s11365-014-0318-3>.
- Berthiaume, G. H., & Yeakley, D. D. (2014). *U.S. Patent No. 8,635,309*. Washington, DC: U.S. Patent and Trademark Office. <https://www.uspto.gov/web/offices/com/sol/og/2014/week46/TOC.htm>.
- Bryman, A. (2016). *Social research methods*. Oxford, UK: Oxford University Press.
- Cardinale, I. (2018). Beyond constraining and enabling: Toward new micro-foundations for institutional theory. *Academy of Management Review*, 43(1), 132-155. <https://doi.org/10.5465/amr.2015.0020>.
- Creswell, J. (2014). *Research design*. Sage publications.
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Dahabreh, I. J., & Steingrimsson, J. A. (2020). Toward Causally Interpretable Meta-analysis: Transporting Inferences from Multiple Randomized Trials to a New Target Population. *Epidemiology*, 31(3), 334-344. <https://doi.org/10.1002/sim.8426>.
- Drori, G. S. (2020). Hasn't Institutional Theory Always Been Critical?! *Organization Theory*, 1(1).1-5 <https://doi.org/10.1177/2631787719887982>.
- Drucker, P. (2007) *The Practice of Management*. Butterworth-Heinemann, Cambridge.
- Felício, J. A., Rodrigues, R., & Caldeirinha, V. R. (2012). The effect of intrapreneurship on corporate performance. *Management Decision*, 50(10), 1717-1738
- Finch, V. & Milman, D. (2017). *Corporate insolvency law: perspectives and principles*. Cambridge University Press.
- Fuenfschilling, L., & Truffer, B. (2014). The structuration of socio-technical regimes— Conceptual foundations from institutional theory. *Research Policy*, 43(4), 772-791.
- Gawke, J. C., Gorgievski, M. J., & Bakker, A. B. (2017). Employee intrapreneurship and work engagement: A latent change score approach. *Journal of Vocational Behavior*, 100, 88-100. <https://doi.org/10.1016/j.jvb.2017.03.002>.
- Hayton, J. C., Hornsby, J. S., & Bloodgood, J. (2013). Part 2: The contribution of HRM to corporate entrepreneurship: A review and agenda for future research. *Management*, 16(4), 381–409. <https://doi.org/10.3917/mana.164.0381>.
- Hisrich, R.D Peters, K & Shepherd, K. (2017) *Entrepreneurship* (10ed) 9780078112843.pdf
- Hitt, M. A., Xu, K., & Carnes, C. M. (2016). Resource based theory in operationsmanagement research. *Journal of Operations Management*, 41, 77-94. <https://doi.org/10.1016/j.jom.2015.11.002>.

- Holdford, D. A. (2018). Resource-based theory of competitive advantage-a framework for pharmacy practice innovation research. *Pharmacy Practice (Granada)*, 16(3). doi: 10.18549/PharmPract.2018.03.1351.
- Hsu, M. L., & Chen, F. H. (2017). The cross-level mediating effect of psychological capital on the organizational innovation climate–employee innovative behavior relationship. *The Journal of Creative Behavior*, 51(2), 128-139.
<https://doi.org/10.1002/jocb.90>.
- Ibrar, M., & Khan, O. (2015). The impact of reward on employee performance. a case study of Malakand Private School. *International letters of social and humanistic sciences*, 52, 95-103.
- Javalgi, R. G., Hall, K. D., & Cavusgil, S. T. (2014). Corporate entrepreneurship, customer-oriented selling, absorptive capacity, and international sales performance in the international B2B setting: Conceptual framework and research propositions. *International Business Review*, 23(6), 1193-1202. doi:10.1016/j.ibusrev.2014.04.003.
- Kensby, J., Trüschel, A., & Dalenbäck, J. O. (2015). Potential of residential buildings as thermal energy storage in district heating systems–Results from a pilot test. *Applied Energy*, 137, 773-781. DOI: 10.1016/j.apenergy.2014.07.026.
- Kombo, D. K., & Tromp, D. L. A. (2009). *Proposal and Thesis Writing: An Introduction*. Pauline's Publications Africa.
- Kothari, C.R. (2019) *Research Methodology: Methods and Techniques*. (4th ed), New Age International Publishers.
- Kreiser, P. M., Kuratko, D. F., Covin, J. G., Ireland, R. D., & Hornsby, J. S. (2019). Corporate entrepreneurship strategy: extending our knowledge boundaries through configuration theory. *Small Business Economics*, 56(2), 739-758. DOI: 10.1007/s11187-019-00198-x.
- Labunska, S., Petrova, M., & Prokopishyna, O. (2017). Asset and cost management for innovation activity. *Economic annals-XXI*, (165), 13-18.
 doi: <https://doi.org/10.21003/ea.V165-03>.
- Lok, J. (2019). Why (and How) Institutional Theory Can Be Critical: Addressing the Challenge to Institutional Theory's Critical Turn. *Journal of Management Inquiry*, 28(3), 335–349.
<https://doi.org/10.1177/1056492617732832>.
- Lumpkin, G. T., & Dess, G. G. (2015). Entrepreneurial orientation. *Wiley Encyclopedia of Management*, 3, 1-4.
- Lwamba, N. M., & Bwisa, P. H. (2014). Exploring the Effect of Corporate Entrepreneurship on Financial Performance of Firms: Evidence from Kenya's Manufacturing Firms. *International Journal of Academic Research in Business and Social Sciences*, 4(1), 352-370.
- Maryunani, S. R., & Mirzanti, I. R. (2015). The development of entrepreneurship in creative industries with reference to Bandung as a creative city. *Procedia-Social and Behavioral Sciences*, 169, 387-394.
<https://www.semanticscholar.org/paper>.
- McKeever, E., Jack, S., & Anderson, A. (2015). Embedded entrepreneurship in the creative re-construction of place. *Journal of Business Venturing*, 30(1), 50-65.
<https://doi.org/10.1016/j.jbusvent.2014.07.002>.

- Meeker, W. Q., & Escobar, L. A. (2014). *Statistical methods for reliability data*. John Wiley & Sons.
- Mugenda O.M & Mugenda A.G (2003). *Research Methods. Quantitative and qualitative Approaches*. Acts press.
- Mugo, P., & Macharia, J. (2021). Innovation Strategies' Influence on Competitive Advantage in Telecommunication Companies in Kenya. *The University Journal*, 3(1),81-96. <https://daea.or.ke/wp-content/uploads/2021/06/>.
- Odoardi, C. (2015). The relationship between proactive goal generation and innovative behaviour at work. *Journal of Management Development*, 34(5), 553– 565. <https://doi.org/10.1108/JMD-04-2014-0037>.
- Omwenga, E. (2017) *Influence of organizational restructuring activities on employee commitment in state corporations in Kenya*. [Doctoral Dissertation, Jomo Kenyatta University of Agriculture and Technology]. <https://ikesra.kra.go.ke/bitstream/handle/123456789/817>.
- Panjaitan, H., Cempena, I. B., Trihastuti, A., & Panjaitan, F. A. B. K. (2021). The Effect of Competitive Aggressiveness on Business Performance: A Case Study of Private Universities in Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(4), 875–884. <https://doi.org/10.13106/JAFEB.2021.VOL8.NO4.0875>.
- Pittenger, M. A., & Wolfe, D. J. (2019). *Corporate and Commercial Practice in the Delaware Court of Chancery*. LexisNexis.
- Popkova, E. G. (2018). *Economic and legal foundations of modern Russian society: A new institutional theory*. IAP.
- Punch, K. (2003) *Survey Research: The Basics*. Sage Publications, Thousand Oaks, CA. <https://doi.org/10.4135/9781849209984>.
- Rhodes, J. D., & Kumar, H. (2014). Experimental and data collection methods for a large- scale smart grid deployment: Methods and first results. *Energy*, 65, 462-471. DOI: 10.1016/j.energy.2013.11.004.
- Shepherd, D.A., Patzelt, H. (2017). Researching Entrepreneurial Decision Making. In: *Trailblazing in Entrepreneurship*. Palgrave Macmillan, Cham. <https://doi.org/10.1007/978-3-319-48701-48>.
- Tülüce, N. S., & Yurtkur, A. K. (2015). Term of strategic entrepreneurship and Schumpeter's creative destruction theory. *Procedia-Social and Behavioral Sciences*, 207, 720- 728. 10.1016/j.sbspro.2015.10.146
- Werlang, N. B., & Rossetto, C. R. (2019). The effects of organizational learning and innovativeness on organizational performance in the service provision sector. *Gestão & Produção*, 26(3), e3641. <https://doi.org/10.1590/0104-530X3641-19>
- Willmott, H. (2019). Can it? On expanding institutional theory by disarming critique. *Journal of Management Inquiry*, 28, 350
- Zhao, Y. & Fan, B. (2018). Exploring open government data capacity of government agency: Based on the resource-based theory. *Government Information Quarterly*, 35(1), 1-12. <https://doi.org/10.1016/j.giq.2018.01.002>.