INNOVATION AS A PREDICTOR OF CORPORATE ENTREPRENEURSHIP IN SMALL AND MEDIUM SCALE ENTERPRISES

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ABSTRACT
This paper examined innovation as a predictor of corporate entrepreneurship in small and medium scale enterprises. The study employed a survey approach and used the questionnaire as its major source of data collection. In order to guide the study, two research questions and hypotheses that are consistent with the objectives of the study were raised. The population of study consists of 200 managers of selected small and medium scale enterprises in Port-Harcourt. The researchers used Taro Yamane's formula to select 133 managers out of the population. The Kruskalwallis test (H) was the tool for data analysis. From the findings, the researchers conclude that innovation is a veritable predictor of corporate entrepreneurship. Based on the findings also, the researchers among others recommended that corporate entrepreneurs in SMEs should focus on process innovation. This will ultimately lead to product and other forms of innovation.

Key Words: innovation, corporate entrepreneurship. SMEs, kruskalwallis test

Introduction
The intense competition in international and local markets has rendered innovation the critical factor of firm level competitiveness and survival. More recently, the importance of innovation has been reinforced both by globalization and rapid advances in new technologies, knowledge transfer and information flow. Despite the new opportunities offered by innovation, firm level innovation in many African countries has seen little improvement in productivity performance over the years. Firm level innovation is a continuous process that brings about new ideas, new products development, pioneering of new technologies and processes, as well as the promotion of entrepreneurship.

Within enterprises, there is a conscious move to promote entrepreneurship. This has led to changes in the culture, structures and strategies of organizations. However, understanding the concept of entrepreneurship within an enterprise may sound vague, hence the need to investigate certain predictors of the phenomenon. This paper therefore will concentrate on innovation as a predictor of corporate entrepreneurship with interest in product and process innovation.

Objectives
The general objective of this paper is to examine innovation as a predictor of corporate entrepreneurship in small and medium scale enterprises. The following specific objectives shall be examined:
i. Understand the relationship between product innovation and corporate entrepreneurship of SMEs

ii. Identify the relationship between process innovation and corporate entrepreneurship of SMEs

Hypotheses

H₀₁: product innovation does not have significant relationship with the corporate entrepreneurship of SMEs

H₀₂: process innovation does not have significant relationship with the corporate entrepreneurship of SMEs

Conceptual Review

Innovation: According to Cantwell (2003), Gault (2010) and Harary (2013), the ability to create economic value on new products, production processes and organizational practices is embedded in the innovative characteristics of a firm or industry. Innovation has thus created new forms of competition and opened new markets for new products and services. Studies such as Kleinknecht and Mohnen, (2002) Criscuolo and Haskel, (2003) Diederen, Mohnen, and Palm (2005) have linked innovation to firm productivity and performance. Firm level innovation is therefore critical to the competitive advantage and growth for firms, industries and countries (Romijn and Albaladejo, 2004; Abereijo et al., 2007). The literature on firm-level innovation clearly underscores the need for a strong focus on firm-level innovation to spur socio-economic growth.

Firm level innovation generally refers to renewing, changing or creating more effective or useful processes, products or ways of doing things in a firm’s day-to-day operations. It is a continuous process that brings about new ideas, new product development, and pioneering of new technologies and processes, as well as the promotion of entrepreneurship in the industrial sector (Mytelka, 2000). For businesses, this could mean implementing new ideas, creating dynamic products or improving on existing services. Innovation is the creation of value from knowledge and a driver of economic growth if well managed (Gault 2010). The common feature of innovation in the business context is that a change must have been implemented by the firm and introduced on the market (OECD/Eurostat 2005). This means that a firm can innovate at many different points in its development process, including conception, R&D transfer, organization and marketing processes. With fewer people producing the knowledge needed to create value, innovation becomes an impetus for increased productivity leading to rapid economic growth.

Several studies have recognized innovation as the catalyst for industrial growth. Firms need innovations to open up new markets, gain competitive advantage, increase market share and achieve substantial economic growth. For example, innovation efforts embarked upon by firms in Hong Kong, Singapore, South Korea and Taiwan (the Asian Tigers) have led to their industrial growth and sustainable competitiveness (Baek, Yongchun, & Randall 2005). The rate of rapid changes experienced by industries as well as stiff challenges posed by competition and globalization implies that firms have to innovate to survive global competition. For developing countries, innovation is certainly the key driver of differences in productivity, income variations, business growth and catch-up in industrial competitiveness (Cantwell 2003).

Global understanding of innovation activities and their economic impact has greatly increased over time, yet it is deficient. As the world economy evolves, so does the process of innovation which is continuously gaining momentum within the context of today’s low-growth, resource-constrained world. Strong understanding of customer needs and markets, combined with better access to talent and technologies are rapidly unlocking the success to innovate in many countries (Harary, 2013). However, the ability of a country to innovate largely depends on its technological capabilities, information flow and skills - technical, managerial and institutional arrangements that allow capable researchers to produce new technologies, while at the same time allowing productive firms to access, utilize, and commercialize technology efficiently. For firms in African there is the need to learn and or adapt to new technologies in order to upgrade the quality of their products and processes so as to stand the chance of success in the industrially competitiveness global market economy.

Corporate Entrepreneurship: Reviewing the Corporate Entrepreneurship literature (CE) one can quickly observe the ambiguity within the definitions of the CE concept. Especially striking is the partial interchangeability of CE with related concepts such as intrapreneurship or corporate venturing: For Example Mc Fadzean et al. (2005) emphasize the interchangeability whereas Åmo & Kolvereid (2005) make clear distinctions between the different concepts. The aim of the current section is to provide a clear definition of CE and show as well its boundaries to related concepts.
Starting from a rather broad point of view researchers claim that both CE and intrapreneurship topics are concerned with entrepreneurship within existing organizations (Antoncic 2007). Following Åmo & Kolvereid (2005) and Pinchot & Pellmann (1999) one can also state that both concepts are related towards an incremental innovation process based in the ideas and the knowledge of the employees of an organization. The aim is to incorporate skills and mindset shown by start-up entrepreneurs into existing organizations (Thornberry 2003) in order to develop the way they operate. (Brunäker & Kurvinen 2006). The reason start-up entrepreneurs are taken as an example lies in their ability to recognize market gaps in advance and to fill out these gaps with novel products or services. This behavior turns out to be also beneficial for existing organizations (e.g. Zahra 1991). As to Stopford & Baden-Fuller (1994) pursuing internal entrepreneurial activities "require changes in the pattern of resource deployment and the creation of new capabilities to add new possibilities for positioning in markets (p. 522)". A further commonality between both concepts consists in the fact that ideas have to be realized. Neither intrapreneurship nor corporate entrepreneurship is about dreaming, but about realizing visions. Although closely related, both concepts are slightly different regarding the origin of innovation activities. Åmo & Kolvereid (2005) point out that CE activities are rooted in requests of the organization and coincide with corporate strategy. In contrast, intrapreneurship activities represent rather autonomous activities of the individual himself. Campbell (2000) elaborates the necessity of a corporate entrepreneurship strategy in order to benefit from intrapreneurial personalities. Vice versa, such kind of strategy is rather inefficient without intrapreneurs in the organization (Åmo & Kolvereid 2005). This kind of separation is also coherent with Zahra’s (1991) separation between formal and informal corporate entrepreneurship activities with informal activities representing autonomously performed activities having their origin in "individual creativity or pursuit of self-interest."

Barkinshaw (1997) separates intrapreneurship from CE in a different way. As to his analysis intrapreneurship, or dispersed CE, represents an approach underlying the assumption that “all individuals in the company have the capacity for both managerial and entrepreneurial acts” (Brunäker & Kurvinen 2006). This view is contrasted by the so-called focused corporate entrepreneurship, or corporate venturing, approach where innovation initiatives are placed centrally a new division. Although both Åmo & Kolvereid’s (2005) and Barkinshaw’s (2000) categorizations underlie different criteria it is obvious that intrapreneurship is an integrative part of the corporate entrepreneurship literature but not necessarily vice versa. This hierarchy between CE on the one hand and intrapreneurship on the other hand is also supported by Thornberry’s (2003) classification of CE. He identifies four different categories: Corporate Venturing, Organizational Transformation, Intrapreneuring and Industry Rule Bending. These categories are consistent with Veenker el. ’s (2008) findings, and can be considered as an extension of Stopford & Baden-Fuller’s (1994) categories. Corporate Venturing is the process leading to new ventures related to the organization’s core business. Stopford & Baden-Fuller (1994) include intrapreneurship in this category whereas Thornberry (2003) uses an extra category. The underlying reason is the current insight that intrapreneuring is a bottom-up process as shown by Åmo & Kolvereid (2005). As a consequence ventures having their origin in intrapreneurial activities are not necessarily related to core-business activities (Antoncic & Hisrich 2003). Furthermore Intrapreneurship is not only related to the creation of new ventures, but also to innovation in processes (Antonic & Hisrich 2003). In this way it is logical to use intrapreneuring as an extra category within CE. Thornberry’s (2003) third category is organizational transformation which is related to the improvement of organizational efficiency. Key ideas of the SMEs are reviewed involving rethinking of business concepts, reorganization, strategic repositioning (Hisrich 2001). CE activities can also be classified as to their direction. Current research reveals that corporate entrepreneurship can be either internally directed or externally oriented. Zahra (1991) states “external efforts entail mergers, joint ventures or acquisition (p. 261)” whereas internal measures cover activities such as R&D or intrapreneuring programs. However the expected outcomes remain the same: new ventures, new products, new services, improved processes, improved organization, new strategies, etc. (Antonic & Zorn 2004).

**Forces Affecting Innovation in SMEs**

- **Industry concentration:** Markets become less transparent when competition is intense; therefore it becomes more and more difficult to respond rapidly to environmental changes with intense competition. According to Hausman (2005), this can have a negative influence on the innovativeness level of SMEs. Not all markets provide the same incentives for companies to enter the market, for example it is more advantageous to enter a market in which a few firms operate (Sorescu, Chandy & Prabhu, 2003). Industries in which large companies are involved are often more innovative than other industries.

- **Organizational leadership:** O’ Regan (2006) defines leadership as an important determinant of innovation. The leaders’ characteristics can significantly influence the strategic direction and organizational...
performance of a company. The objectives of the firm are mostly equal to the desires of the owner and this will indicate whether a firm will pursue growth or survival objectives. Not commercial considerations, but personal lifestyles are common reasons for companies that wish to stay small and just have the goal to survive. Furthermore, it is argued that the managers of SMEs sometimes lack the skills and education to cope with increasingly complex organizations (Rothwell, 2001). Business managers lack the specific types of education and training that can be linked with innovation in companies (Romano, 1990). This lack of expertise can uphold companies from transforming the managers’ knowledge into new products and services, and it can decrease the company’s ability to respond adequately to the customers’ needs (Gruner & Homburg, 2000). Innovativeness in SME’s is mostly limited by the power and innovation potential of the companies’ owner, because he has the decision-making authority (Verhees & Vermeulen, 2004).

- **Network effects:** The internal communication networks are more efficient in SMEs than in larger companies, because the networks provide SMEs a fast response towards problem solving. SMEs can easier reorganize tasks and processes and adapt to changing environments. Besides, it is also easier for SMEs to respond to rapidly changing environments due to the organizational structures of the businesses. They are less bureaucratic and have more clannish structures, which makes them able to cope with unmet customer needs (Rothwell, 2001). Although the flexibility of SMEs means that they can easily respond to changes in the market, SMEs will be less innovative over time because they lack the external contacts which make them less aware of innovative technologies (Hausman & Fontenot, 1999). According to Rothwell (2001), SMEs often lack the time and resources to identify and use external sources of scientific and technological expertise and advice. These businesses mostly lack suitable qualified technical specialists to support research and development activities.

- **Products Tangibility:** Tangible products will often be more easily adopted by SMEs than intangible products, because of the characteristics of tangible products. This speed of adaption will be advanced when people can observe and try the products, because in this way a better insight is created into the product (Hausman, 2005).

- **Financial capital:** According to Hausman (2005) SMEs are not pure simplifications of large firms because they lack the financial and human capital and have different governance and reward structures than large firms. This can make it more difficult for SMEs to be entrepreneurial and innovative. For example, developing a new product is a high risk activity for a small company and it requires a huge financial and human capital.

### Types of Firm Level Innovation

- **Product Innovation**

  Product innovation means introducing the new products/services or bringing significant improvement in the existing products/services (Polder et al., 2010). For product innovation, the product must either be a new product or significantly improved with respect to its features, intended use, software, user-friendly or components and material. The first digital computer is an example of product innovation.

  Change in design that brings significant change in the intended use or characteristics of the product is also considered as product innovation (OECD, 2005). Product innovation has many dimensions. First, from the perspective of the customer, product is new to the customers. Second, from the perspective of the firm, the product is new to the firm. Third, product modification means bringing product variation in the existing products of the firm (Atuahene-Gima 1996). Firms bring product innovation to bring efficiency in the business (Polder et al. 2010). In highly competitive environment of today, firms have to develop new products according to customer’s needs (Olson et al. 1995). The aim of product innovation is to attract new customers. Firms introduce new products or modify the existing products according to needs of the customers (Adner & Levinthal, 2001). Shorter product life cycle of the products forces the firms to bring innovation in the products (Duranton & Puga, 2001). Product innovation is reflected by the functional performance (Olson et al. 1995). Product innovation is one of the key factors that contribute to success of an organization. New product development and product innovation are important strategies for increasing the market share and performance of the business. The studies showed that new product development had positive impact on the performance of the firm (Ettlie & Reza 1992).

- **Process Innovation:** Process innovation means improving the production and logistic methods significantly or bringing significant improvements in the supporting activities such as purchasing, accounting, maintenance and computing (Polder et al., 2010). OECD (2005) defines process innovation as implementation of the production or delivery method that is new or significantly improved. Process innovation includes bringing significant improvement in the equipment, technology and software of the
production or delivery method. Firms bring novelties in the production and delivery method to bring efficiency in the business.

The new method must be at least new to the organization and organization had never implemented it before. The firm can develop new process either by itself or with the help of another firm (Polder et al., 2010). Firms bring process innovation to produce innovative products and amendments are also brought in their processes to produce the new products (Adner & Levinthal, 2001). To decrease the production cost, firms go for bringing process innovation. The process innovation is reflected by the cost of the product (Olson et al. 1995). Firms adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers. The process innovation, especially in the manufacturing organizations, can have significant impact on the productivity of the firms. The historical case studies showed that bringing automation in the production methods has increased the efficiency and productivity of the organizations (Ettlie & Reza, 1992).

- **Marketing Innovation:** Marketing innovation is defined as implementing new marketing methods that involve significant changes in the packaging, design, placement and product promotion and pricing strategy. The objective of marketing innovation is to increase the sales and market share and opening new markets. The distinctive feature of the marketing innovation from the other types of innovation is the implementation of new marketing method that the firm has never implemented before. The product design, that only changes the appearance of the product and does not change the features and functionality of the product, is also marketing innovation (OECD, 2005). Marketing innovation is non technological innovation. Firms bring innovation in their marketing methods to bring efficiency in their business (Polder et al., 2010).

- **Organizational Innovation:** Organizational innovation is defined as introduction of new practices of doing business, workplace organizing methods, decision making system and new ways of managing external relations (Polder et al., 2010). OECD (2005) defined organizational innovation as implementing new ways of organizing business practices, external relations and work place. Organizational innovation entails new ways of organizing routine activities.

For organizational innovation, firms adopt the methods of organizing that they have not implemented before. Organizational innovation can increase the performance of the organization by decreasing the transaction cost and administrative cost. Firms bring organizational innovation to bring efficiency in the business. The new organizational method must be at least new to the organization and new method can be developed by the firm itself or with the help of third party (Polder et al., 2010). Organizations bring changes in their organizational setup. They change the ways of organizing things to compete with their competitors and satisfy the customers (Ettlie & Reza 1992).

**Innovation and its Importance for SMEs:**

Innovation is generally understood as the successful introduction of a new thing or method. Davila et al. (2006) organizes reasons enterprises undertake innovation in the following ways:

- Improved quality
- Creation of new markets
- Extension of the product range
- Reduced labour costs
- Improved production processes
- Reduced materials
- Reduced environmental damage
- Replacement of products/services
- Reduced energy consumption
- Conformance to regulations

Community Innovation survey (2007) defines nine factors as motivation factors to innovation: increased range of goods or services; increased market share; Improved quality of goods or services; Improved flexibility of production or service provision; Increased capacity for production or service provision; Reduced costs per unit produced or provided; reduced environmental impacts or improved health and safety; Met regulatory requirements; Increased value added.
Organizations which generate and implement more good ideas about better, more efficient ways of working have a distinct advantage in a competitive environment. To achieve success over a long period of time, all organizations need to hold innovation (Niala et al., 2004). With The globalization phenomena, market expansion, and increased customers’ expectations and competition among firms, innovation has become more market-driven, more rapid and intense, more closely linked to scientific progress, more widely spread throughout the economy (OECD, 2000). Organizations may also facilitate innovation through project teams or R&D departments (Morton, 1971; Zaltman et al., 1973).

Steve Jobs defines Innovation as having nothing to do with how many R&D dollars one has. It is about the people you have, how you're led, and how much you get it. He argued that there are no definitive metrics for innovation. Measures of innovative success vary by company and industry. He defined R&D and patent creation as the most common metrics of innovation:

**R&D:** This metric assumes that the amount of money spent on research and development directly correlates to the amount of innovative products, processes and services that get to the public.

**Patent creation:** Some companies create patent after patent and boast of their innovative capabilities. While this may be well and true for a few, if the numbers of patented products, processes, and services are now making it to the marketplace, then their relevance diminishes. The propensity of countries to seek sources of innovation and knowledge wherever they are present has increased considerably in terms of patenting in the 1990s. The internationalization of patenting has not been equally rapid in all countries: the available evidence shows that US patents have a larger, and more rapidly growing, Asian proportion of foreign co-inventors than those of Europe or Japan.

An interesting point about innovation was found in Paul et al. (2006)“Innovation begets further innovation. He maintains that through organizational innovation, managers gain a more specific view of the different activities of the firm, and see the potential creative opportunities that arise through breaking down ‘departmental silos’ and creating novel synergistic activities. Rogers argues that innovations have characteristics which explain the rate of their adoption:

**Relative advantage:** the degree to which an innovation is perceived as better than the idea it supersedes

**Compatibility:** the degree to which an innovation is perceived as being consistent with existing values, past experiences, needs of potential adopters

**Complexity:** the degree to which an innovation is perceived as difficult to understand and use

**Trial ability:** the degree to which an innovation may be experimented with on a limited basis

**Observability:** The degrees to which the results of an innovation are visible to others Innovations are considered as a major engine to enhance their performance and to strengthen their competitive position in the market by companies (Vareska van de et al., 2008).

**Empirical Review**

**Barriers to Innovation**

As many studies show, innovation has positive effects on the firm; it is interesting to find out why some firms do not engage in innovative activities. Palmer-Noone (2000) argued that most of the leaders believed that their greatest challenges to innovation were to be found inside their institutions. In her findings traditional institutional culture, or institutional inertia was cited as a significant barrier to innovation. A number of studies show that firm differences in barriers to innovation were related to cost, institutional constraints, human resources, organizational culture, flow of information, and government policy (Mohen and Roller 2005; Baldwin and Lin, 2002).

Support of employees for changes in their firms depends on the kind of innovation implemented. While changes in the organization of work that are introduced independently of investments in new machinery are encountered by resistance, investments in new machines, production sites, etc. are supported by employees (Thomas Zwick). It is not always a barrier against innovation but it may retard or change the innovation plans (Schaefer, 1998).

Madrid-Guijarro et al. (2009) emphasize on a resource-based view of organizations. They introduced financial resources, human resources and external resources as barriers to innovation. Cost has been mentioned as one of the most important barriers to innovation. High innovation costs have a negative and significant effect on the innovation propensity (Lim and Shyamala, 2007; Silva et al., 2007). Arguments can arise between the need to invest in innovation and the risk aversion common among managers/owners (Hausman, 2005; Frenkel, 2003), with small firms being especially subject to such conflicts because of their limited financial resources. A study in Canada revealed that set up costs, rather than running costs, are of greater concern to those that intend to engage in innovation activities (CSLS, 2005).
Understanding of economic risks associated with innovation activities would have a low degree of association with firms' experience in innovation activities (Lim and Shyamala, 2007). Most financial theories, such as transaction cost theory and agency theory linked risk and financial exposure in the way that higher risks are associated with higher financial exposure, and lower risks with lower financial exposure (Brigham and Ehrhardt, 2005). Transaction cost theory analyzes the fact that intangibility and specificity combined with investment in technology, by increasing transaction costs, may decrease the firms’ propensity to financing innovation with debt. Agency theory argues that the high risk of innovative activities and the existence of information asymmetries can increase problems with debt financing. An increase in debt may lead to an increase in conflicts between lenders and the firm. Several previous studies point to the negative influence of debt on innovation activity (Giudici and Paleari, 2000).

Resistance to change which results from poor employee skills and inadequate training is viewed as an important organizational challenge by many researchers. It also argued that small business managers often lack the types of education and training that have been linked with a successful innovation strategy (Hausman, 2005). Shanteau and Rohrbaugh (2000) argue that Weak management support is another innovation choke point because innovation can disrupt established routines and schedules. Barriers to innovation also include organizational inertia and structured routines that may limit the ability of incumbent firms to identify new opportunities and adapt to environmental changes (Nelson and Winter, 1982; Hannan and Freeman, 1984).

Obstacles that are external to the firm are clearly more important than internal ones, perhaps because most internal issues can be resolved by a firm that is committed to its innovation activity (Lim and Shyamala, 2007).

Global competition, government policy, and economic uncertainty require that firms effectively communicate to managers the importance of innovation as a core firm strategy that will help maintain market competitiveness (Madrid-Guijarro et al., 2009). Because of high competitive pressures, firms are forced to adopt new technologies so as to gain a competitive advantage (Porter, 1985). Many researchers suggest that firms in more turbulent external environments have higher potential for innovation, because turbulent environments trigger firms to incorporate innovation into their business strategy in order to remain competitive and, ultimately, survive (Madrid-Guijarro et al., 2009). Lack of information about market opportunities, changes in technology, and government policy, which influence managers' adoption of innovation as a strategy to better meet customer needs and to help make the firm more competitive is viewed as another barrier to innovation.

Lack of market information related to the potential requirement and preferences of the end-user may lead to a firm producing products that are not meeting the users’ needs, and hence may lead to lack of customer responsiveness towards firms’ innovative products. In other words, recognition of the requirement of potential customers is important to ensure the success of firms’ innovation process (Lim and Shyamala, 2007). Lack of government assistance was defined as the third most important barrier to innovation in European countries by Piatier (1984) research. Silva et al. (2007) define nine barriers to innovation to include:

- High economic risk
- High cost of innovation
- Lack of financing
- Organizational rigidities
- Lack of skilled personnel
- Lack of information about technology
- Lack of market information
- Lack of customers' responsiveness
- Government regulations

As regards the significance of each restraining factor of innovation, four significant variables are detected. High economic risk and high cost of innovation are defined as economic factors that prevent innovation in Portuguese firms. The first important point is that the firm cannot innovate and grow unless they are willing to take risks. However, in the current regulatory and tort environment, companies are more focused on risk reduction than ever before. The lack of financing sources has a negative and significant effect on the innovation propensity.

Lack of qualified personnel restrains the propensity of the firm to innovate and also to develop the innovation process. Lack of customers’ responsiveness to new products has also a negative and significant impact on the propensity to innovate.
Methodology
The population of the study comprises of 200 managers drawn from 25 SMEs in PortHarcourt, River State. The researchers however randomly selected 133 managers out of the population of study. A five-point likert scale questionnaire that covered the different areas of product and process innovation and corporate entrepreneurship was used to elicit responses from the respondents. The statistical tool used for data analysis was the Kruskalwallis test (H), using the 15.0 version of the Minitab statistical software (MSS). The kruskawalis which is a non-parametric equivalent for one-way ANOVA may be described thus:

\[ T = H = \frac{12}{N(N+1)} \sum_{i=1}^{k} \frac{R_i^2 - 3(N+1)}{n_i} \]

where \( k \) is the degree of freedom.

Results
In this section the output of the analysis of the data gathered was presented

**Minitab Output for Research Question 1**
Kruskal-Wallis Test on C1

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Overall 25 13.0

H = 14.39 DF = 4 P = 0.006
H = 14.40 DF = 4 P = 0.006 (adjusted for ties)

**Minitab Output for Research Question 2**
Kruskal-Wallis Test on C1

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Overall 25 13.0

H = 16.41 DF = 4 P = 0.003
H = 16.46 DF = 4 P = 0.002 (adjusted for ties)

Conclusions and Recommendations
From the output of the data gathered, it was concluded that innovation is a veritable predictor of corporate entrepreneurship. This conclusion substantiated by the value of the p-value in research question one and two where the p-values (0.006 and 0.003<0.05) respectively. We therefore recommend that: corporate entrepreneurs in SMEs should focus on process innovation. This will ultimately lead to product and other forms of innovation.


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