International Journal of Social Science and Economic Research

ISSN: 2455-8834

Volume:02, Issue:04

EFFECTS OF CORPORATE ENTREPRENEURSHIP IN THE PERFORMANCE OF SELECTED BANKS IN NIGERIA

[1]Dr. Egungwu, Ikenna; [2]Temuhale Julius; [3]Egungwu, Ngozi Ursula

[1]Department of Banking & Finance, Chukwuemeka Odumegwu Ojukwu University, (formerly Anambra State University) Igbariam Anambra State, Nigeria

[2]Department of Banking & Finance, Chukwuemeka Odumegwu Ojukwu University, Igbariam, Anambra State, Nigeria

[3]Department of Accountancy, Chukwuemeka Odumegwu Ojukwu University, Igbariam, Anambra State, Nigeria

ABSTRACT

Corporate entrepreneurship has recently been a major discourse around business circles all over the globe for quite a while, with a rush by many authors to give a contribution on its effect on firms' performance. With trade liberalization, improved technology, globalization and stiff competition, the ambition to outpace peers in business is seemingly no longer in cost cutting, improved quality, or better services, but depends more on entrepreneurial orientations. Some of these orientations include, innovativeness, leverage, risk taking, etc. Using structural Equation modelling and analysis of variance, four corporate entrepreneurship dimensions were examined in five Nigerian banks from 2007 to 2015. Data for analysis were sourced from the five banks through questioning by telephone and by questionnaire, on 250 staff of the five banks. Also, researchers consulted the annual reports of the banks for the affected years and used return on assets and return on equity as performance indicators. The data were subjected to Cronbach reliability test, Statwing T-Test, factor analysis, and ANOVA single factor F statistic and P-values were used to test the null hypotheses. The results from the analysis showed that the four corporate entrepreneurial dimensions enhance bank performance. The study concludes that the effect of entrepreneurial dimension pervades every organisation irrespective of the size of the organisation. The study recommends that to enhance performance in an organisation, measures that will embrace calculated risk, motivate employees, reward deserved employees and give them inspiration to exhibit entrepreneurial skills should be embraced by the system.

Keywords: Corporate entrepreneurship, pro activeness, risk taking, innovativeness, leverage, entrepreneurship orientation, performance.

INTRODUCTION

The relevance of the early studies and theories on entrepreneurship is apprehended when we want to thoroughly discuss corporate entrepreneurship. It is for this reason that instead of treating CE in isolation, the foundation of this study based its credence on those early theories. Mokaya, 2012, agrees with this when he reaffirmed Peter Drucker's old saying that the only constant thing in business is change.

Otachea and Rosli. (2015) also agree when they restate Kuratko, Ireland, & Hornsby, 2004 assertion that globally, business environment has become highly dynamic, unpredictable, and competitive. These scenarios, according to Otachea and Rosli. (2015), are facilitated by globalisation, trade liberalisation, and technological developments.

These fast unfolding events have resulted to a world as a global market where business competition cuts across national boundaries, thus, expanding of competitive edge and creating challenges to business entities. There is therefore every need for corporations to speedily move with the changing technological and competitive environment.

This may be attained through innovative, adaptive, proactive and pragmatic, approach and by seizing every available opportunity to outpace peers in business. At this juncture, it will be appropriate to state succinctly the meaning of CE. Though there are various definitions of Corporate entrepreneurship, this study has adopted the definition put forward by Wang and Zhang, (2009) which conceptualizes CE as entrepreneurship with an existing organization. Banks have been affirmed by many scholars and researchers in finance and banking, to play catalytic role in the economic growth and development of nations. In the views of Ali, Rosli, and Umair (2016) Banks serve as the most important financial component for every thriving economy. Perhaps it is for these reasons that Anderson and Trap (2003) stated that a cultured and systematically operating banking system is essential for the responsive economic development of a country. Banks promote economic growth by the process of financial intermediation by efficient allocation funds mobilized from the surplus economic units to deficit units. In order to stay afloat in business, amidst stiff competition both locally and internationally, banks have to go an extra mile to develop strategies that are beyond the traditional. Talking about strategies, the readily available options are entrepreneurial strategies. These include entrepreneurial orientation, innovation, calculated risk taking, and proactiveness. In this study, these entrepreneurial dimensions and their effect on performance are the subjects of investigation in five banks in Nigeria.

ISSN: 2455-8834

Volume:02, Issue:04

Statement of the problem

The fast changing business environments, stiff local and global competition, technological advancement, trade liberalization and globalization demand that corporate institutions device strategies aimed at out pacing their peers if they must stay afloat in business. Being in business requires corporations to act beyond the ordinary and traditional way of doing business. It is for these reasons that it becomes necessary to pay special attention place emphasis on entrepreneurial orientation. Entrepreneurial orientation (EO)may be considered as a firm-level strategic orientation which captures an organization's strategy-making practices, managerial philosophies, and firm behaviors that are entrepreneurial in nature. According to Schillo, (2011), the most widely used definition of EO is based on work by Miller (1983), developed further by Covin and Slevin (1989) and many others, and augmented by Lumpkin and Dess (1996). Many studies have been conducted in the past decades using various dimensions to capture entrepreneurial orientation. There has been however. no consensus on the various factors used to capture EO. More so, in Nigeria, few studies have been conducted to investigate EO in the banking industry. At this very critical moment of economic recession where banks struggle to meet stated performance objectives, it becomes incumbent on us to examine EO in this very sensitive industry in Nigeria. This work therefore, is set to examine Entrepreneurial Orientation in five banking corporations, capturing EO with some of the widely used entrepreneurial dimensions.

Objectives of the Study

The objectives of the study are to:

determine the effect of risk taking on bank performance; examine the effect of pro activeness on bank performance; ascertain the effect of innovativeness on bank performance; and to assess the effect of leverage on bank performance.

To achieve these objectives, the study hypothesised that risk taking has no significant effect on bank performance; pro activeness has no significant effect on bank performance; innovativeness has no significant effect on bank performance; leverage has no significant effect on bank performance.

The scope of this study is centred around corporate entrepreneurship and is considered under similar titles as other studies of the literature such as, , risk taking, pro activeness, innovation and leverage. These dimensions are investigated in five Nigerian banks a period of 8 years. Although the literature indicates that firm performances are viewed in the context of subjective (perceptual) measures (Altuntaş & Donmez, 2010) or with the criteria of profitability and sales growth (Danısman & Erkocaoğlan, 2007), in this study, more quantitative performance criteria,

ISSN: 2455-8834

Volume:02, Issue:04

such as return on assets (ROA), and return on equity (ROE were used as assessment parameter. Although the interaction between corporate entrepreneurship and firm performance had been analyzed with regression and correlation analyses in previous studies, the relationship between the concepts were tested with structural equation modeling in this study.

LITERATURE REVIEW

Conceptual Review

Meaning of Entrepreneurship

Restating the words of Birkenshaw, 2003, Scheepers, Hough and Bloom, 2008, regards Corporate entrepreneurship (CE), as generally, refers to the development of new business ideas and opportunities within large and established corporations. Zahra 1993, Ali, Rosli and Umair (2016), *Naf*ie, jambolang, and Pane, (2016) agree that CE, describes the total process whereby established enterprises act in innovative, risk-taking and proactive ways. Rutherford and Holt, (2007) on their part, view CE to include process, context, and individual characteristics and also possessing a mediating effect on desirable individual outcomes such as job satisfaction, turnover intent and effective commitment. Rutherford and Holt (2007) went a bit further to state that corporate entrepreneurship facilitates organization`s capacity of cultivating and utilizing innovative skills/abilities and importantly, as established by (Heinonen & Tivonen, 2008), nurturing of individual employee attitudes and behaviours. along with management and formal structuring of the organization to promote corporate entrepreneurship.

Nonetheless, other authors, for instance, Lumpkin and Dess (1996), in addition to the dimensions already mentioned include autonomy and competitive aggressiveness to capture entrepreneurial orientation. This stance is however, rebutted by Wang and Zhang, (2009) arguing that autonomy is an internal factor of a supportive organisational climate, whereas, competitive aggressiveness forms part of the proactiveness dimension and does not represent a separate dimension. This view is further corroborated by other writers such as (Morris, Schindehutte & Allen 2005; Kreiser Marino & Weaver 2002). Researchers such as Hornsby et al., (2002) capture the five dimensions as management support, organizational boundaries, reward reinforcement, time availability and work discretion.,

To Ali, Rosli, and Umair (2016); Morris et al., 2011, Corporate entrepreneurship is also defined as the entrepreneurial behaviour amongst the employees in an organization, large or small. It also refers to the nurturing of new ideas and exploitation of opportunities within a business, directed towards improvement in the organizational profitability and strengthening of competitive position in the market (Kuratko et al., 2015).

ISSN: 2455-8834

Volume:02, Issue:04

This study significant upholds the views expressed by Wang and Zhang, (2009) which conceptualizes CE as entrepreneurship with an existing organization.

Entrepreneurial Orientation (EO)

By entrepreneurial orientation we imply the processes, practices and decision-making activities that lead to new access as characterized by one or more of the following dimensions earlier mentioned: a willingness to innovate and take-risks and proactiveness relative to market place opportunities (Lumpkin & Dess, 1996:136-137). These three characteristics namely, the innovativeness, proactiveness and risk taking are the dimensions of EO and the main ingredient for the firm to be entrepreneurial. Two schools of thought exist concerning the extent to which the three dimensions affect firm's entrepreneurial orientation. One, the traditional method, which contends that the three dimensions equally contribute to a firm's entrepreneurial orientation and in the same direction, while the other school of thought holds that each of the dimensions contribute independently to a firm's entrepreneurial orientation. Proponents of the first school of thoughts include, but not exhaustively, Zahra 1991; Barringer & Bluedorn 1999, and those of the second school of thought include Kreiser et al. (2002) as well as Lumpkin and Dess (1996

Organizational characteristics of corporate entrepreneurship

Another important aspect of CE this write-up would like to highlight is the Organizational characteristics dimension.

Results of studies carried out by Zahra,(2007) and supported by Armesh, Wei and Marthandan, (2014) show that internal also organizational elements encourage people to organize their entrepreneurial activity and organizational performance. As reported in the study by Armesh, Wei and Marthandan, (2014), Hornsby et al (1990), claims that the dimensions of the internal environment, including management support for corporate entrepreneurship, work discretion and strengthening programs, access to time and other resources, improve overall organizational scope.

These dimensions which connote a brief description of the internal organizational elements encourage middle management to hasten entrepreneurial efforts in the organizations (Hornsby, Kuratko, Zahra 2002).

Corporate performance

ISSN: 2455-8834

Volume:02, Issue:04

According to CMarkgraf, nd), there are two ways in which a firm's performance can be measured. One method is by comparing the results of initiatives to objectives and evaluating to what extent you met your targets. Independently of that process, financial indicators can be used to evaluate a company's business performance and compare it to that of other companies in the industry. Both methods are valuable for evaluating company performance in an objective way. Both methods of evaluation have been employed in this write-up. In applying the first performance evaluation method, four entrepreneurial dimensions employed by the firms understudy have influence on the performance indicators employed in the second method to evaluate performance. These indicators include; Liquidity Ratio, (LR), Net profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE). All these contribute to add value to the firms under study. Value added is the wealth created by the efforts of the Bank and its employees. The value added statement which shows the allocation of that wealth so created among the employees, shareholders, government and amount re invested for creation of further wealth, is usually mandatory by banks under International financial Reporting System (IFRS) compliance to be put in their annual financial reports.

Theoretical Frame work

Unlike other works reviewed by this study in which authors delved into the treatment of Corporate Entrepreneurship, without any allusion of what entrepreneurship in general is all about, the spring board of this study borrows credence from the theories of entrepreneurship postulated by some early researchers. These theories are many and varied, but we have selected those that have relevance to Corporate entrepreneurship. This work is therefore anchored on four theories. The first is the economic entrepreneurship theory which dates back to the first half of 700s and introduced by Richard Cantilion. This theory considers an entrepreneur as a risk taker, or entrepreneurship as risk taking.

According to Kreiser et al. 2010; Keh, Foo and Lim 2002; Lumpkin and Dess 2001 (quoted in Lwamba Bwisa, (2014), risk taking is venturing into unknown by engaging in calculated business related eventualities such as firms orientation to go for new initiatives for the purpose of corporate profit and performance. This is because, in addition to monetary risk, it typically entails psychological and social risk (Lumpkin and Dess 1996). Recent research indicates that entrepreneurs score higher in risk taking than do non-entrepreneurs (Falbe and Larwood 1995). It is almost a consensus in the literature reviewed that Entrepreneurs are believed to take more risks than non-entrepreneurs do because they face a less structured and a more uncertain set of possibilities. One of the findings by (Morris, 1998) showed that entrepreneurs tended to be moderate or calculated risk takers. Calculated risk taking may be looked at as a process by which the entrepreneur attempts to find ways to mitigate, shift or share risk.

ISSN: 2455-8834

Volume:02, Issue:04

The second theory we anchored the study on is the Opportunity-Based Theory by Peter Drucker. Drucker contends that entrepreneurs excel at seeing and taking advantage of possibilities created by social, technological and cultural changes. This theory is what is replicated in the proactive dimension of corporate entrepreneurship. By proactiveness, we mean the ability to act earlier than others in capturing new markets or introducing new products or tapping new resources is vital ingredient of entrepreneurship in which an entrepreneur seeks new opportunities which may not be related to the present line of operations (Olson, Slatter and Hult 2005; Lumpkin and Dess 2001)

The third Theory is that of *Schumpeter (1999): the discovery and opportunity theory of entrepreneurship (equilibrium destruction theory)* Schumpeter looks at entrepreneurship as innovation and not imitation. Schumpeter's innovator as an economic and social leader does not care much about economic profits and only joy he gets from being an innovator and being a server to his society. Schumpeter‟s entrepreneur is an innovator in the entrepreneurship arena. In the Schumpeterian theory, the entrepreneur moves the economy out of the static equilibrium.

Lastly the Resource-Based Theory. Resource-based theories focus on the way individuals leverage different types of resources to get entrepreneurial efforts off the ground. Access to capital can improve the chances of getting a new venture off the ground, but entrepreneurs often start ventures with inadequate start up capital. According to (Barney, 1991), the theory of resource based-view (RB) states that organizational resources which are valued, rare, and difficult to duplicate and substitute are a source of competitive advantage, which is capable of improving business performance. Corporate entrepreneurship (CE), in the light of RB theory, is acknowledged as a valuable organizational resource, which can give business organizations competitive edges over rivals in the marketplace.

Thus, corporate entrepreneurial activities contribute significantly to superior business performance (Lumpkin & Dess, 2001).

Corporate entrepreneurship is a source of competitive and growth strategies. CE which rejuvenates and ensures continued existence of an organization. All business organizations, whether new or old, small or large, must be proactive and innovative in their behaviours in order to flourish and compete successfully in the marketplace (Kuratko et al., 2004).

Empirical Literature

(Hunghes & Morgan 2006), Armmeshi, Ghalandarzahie and Shahnevazie, 2013, opined that modern business environments have two major characteristics, namely, Complexity and Uncertainty and the two mentioned features could have consequential effects on newly

ISSN: 2455-8834

Volume:02, Issue:04

developed and small businesses. According to (Lee, Lee & Pennings 2001), there is the effect that such a competitive environment requires entrepreneurial capabilities, and at the same time, as opined by Minguzzi & Passaro (2000), aspects of corporate entrepreneurial behaviour are also heavily influenced by their relations with the environment. (Webb et al 2010) on their part noted the recent surge of the number of organizations seeking for more competition in the global context as well as engaging in corporate entrepreneurship activities, Zain and Hassam (2007) findings confirm that CE strongly influenced company growth in a hostile business environment, and that CE exists at more than one level within a business organization

Ali, Rosli and Umair (2016) findings revealed that only three of the proxies used had significant relationships with business performance.

Remarkablly empirical works have emphasized the importance of corporate entrepreneurship with regards to enhancement in overall performance, attainment of strategic benefits, and financial reinforcement (Bierwerth et al., 2015; Phan et al., 2009).

It is evident from the above literature review that though there may be a near consensus on the variables employed as proxies for CE, the result of various studies showed variant results as to the effect of CE on firm performance. It is on this basis that this work, while borrowing methodology from various works, in particular, that of Karacaoglu, Bayrakdaroğlu and San .(2013), is carried out so as to through more light on the subject matter and by so doing contribute to the body of knowledge surrounding the topic.

METHODOLOGY

The study employed exploratory survey in which 250 staff operating in five banks in Nigeria were contacted through questionnaires and telephone and asked relevant questions for the study. This served as our primary source of data Secondary data were collated and processed as appropriate. An in-depth study of the annual financial reports of First bank, Access bank, STB, Sterling bank and Zenith bank was conducted to ascertain performance as portrayed by the Returns on Assets (ROA) and Returns on Equity (ROE). These results were plotted on a graph for easy interpretation.

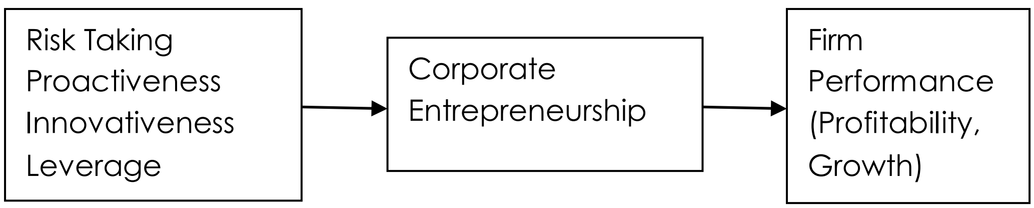
For the measurement of corporate entrepreneurship five ***point Likert scale*** with ***16 items*** was used. As mentioned before, this method was adapted from Covin and Slevin (1986) and Karacaoglu, Bayrakdaroğlu and San,(2013). The items are Risk taking, Proactiveness, Innovativeness, Leverage, and performance.

Model Specification

ISSN: 2455-8834

Volume:02, Issue:04

The model of this study is the Structural Equation Model (SEM) as shown in the figure below. This model is employed because the study involves a latent variable. In this model, Corporate entrepreneurship is the independent variable and is proxied by four entrepreneurial dimensions. These are; risk taking, proactiveness, innovativeness and leverage. Financial performance that consists of quantitative data from the firms which is a latent variable is the dependent variable. Firm Performance will be analysed based on Profitability and growth ratios of the firms under study. These ratios are Return on Asset (ROA) and Return on Equity (ROE)) of the firms within the period under study.. This model is adapted from the works of Wang and Zhang (2009) and Karacaoglu, Bayrakdaroğlu and San, (2013).



According to Escober, (2016) on a technical note, estimation of a latent variable is done by analyzing the variance and covariance of the indicators. The measurement model of a latent variable with effect indicators is the set of relationships (modeled as equations) in which the latent variable is set as the predictor of the indicators.

Corpotate entrepreneurship is the Latent variable because even though it was not measured directly in the research design it is the ultimate goal of the project.

The model for this study is premised on the main objective and anchored on the sub- objectives.

Model specification

FP =f(RKT, PRO, INN, LEV) --- 1

According to the study, performance is indicated by ROA and ROE. The model thus, is split into two:

ROA =f(RKT, PRO, INN, LEV) --- 2

ROE =f(RKT, PRO, INN, LEV) --- 3

Where:

FP = Firms performance

ISSN: 2455-8834

Volume:02, Issue:04

RKT = Risk Taking
INN = Innovation
LEV = Leverage
ROA = Returns on Asset
ROE = Returns on Equity

Techniques of Data Analysis

According to Escober, (2016) on a technical note, estimation of a latent variable is done by analyzing the variance and covariance of the indicators. The measurement model of a latent variable with effect indicators is the set of relationships (modeled as equations) in which the latent variable is set as the predictor of the indicators. In this regard, we proceeded to analyse the responses to the questions which were asked to determine the degree of risk taking, proactiveness, innovativeness and Leverage by the various companies. These responses were analysed using the SPSS statistical tool in which A Cronbach reliability test was conducted to ascertain the reliability and validity of the data and Cronbach alpha value of 0.99 implied that the data was reliable. Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a
group.

Cronbach reliability test

Cronbach's Alpha	No of Items
0.98	4

Statwing T-Test was also conducted on the variables to ascertain the significance of the variance and the covariance. The result was as follows;

Variable	**T-Value**
Risk taking	4.09
Proactiveness	4.60
Innovativeness	5.37
Leverage	4.83

The data were also subjected to factor analysis and the following factor loadings were obtained;

ISSN: 2455-8834

Volume:02, Issue:04

Variable	Factor loadings
Risk taking	0.99
Proactiveness	0.97
Innovativeness	0.94
Leverage	0.97

According to Digman, (1990) and Holgado-Tello et al, (2009), factor analysis is a statistical method used to describe variability among observed, correlated variables interms of a potentially lower number of unobserved variables called factors and factor loadings represent how much a factor explains a variable in factor analysis. This implies that the factors explains risk taking, proactiveness, innovativeness and leverage, 0,99, 0,97, 0.94. and 0,97 respectively in the analysis.

Fourthly, in order to test the hypothesis, the data was subjected to the SPSS statistical tool, Analysis of Variance (ANOV) in which the F statistic and the P-Values were ascertained.

ISSN: 2455-8834
Volume:02, Issue:04

RESULTS AND DISCUSSION

Survey questions	Reponses				
	strongly agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
Factor 1: Risk Taking					
1 The top managers of my firm believe that, owing to the nature of the environment, it is best to explores the environment gradually via careful, incremental behavior (rather than bold wideranging acts necessary to achieve the firm's objectives) (R)	80	82	32	29	27
2. 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 as Compared with a bold, aggressive posture to maximize the probability of exploiting potential opportunities) (R)	78	79	36	31	26
3. The top managers of my firm have a strong proclivity for low risk projects (with normal and certain rates of return) rather than high risk projects (with chances of very high return) (R)	80	79	34	30	27
Average	79	80	34	30	27
Factor 2: Proactiveness					
1. In general, the top managers of my firm have a strong tendency to be ahead of other competitors in introducing novel ideas or products					

ISSN: 2455-8834

Volume:02, Issue:04

in introducing novel ideas or products (R)	81	70	41	34	24
2.. In dealing with competition, my firm is very seldom the first business to introduce new products/services, administrative techniques and operating technologies (R)	81	70	41	34	24
3.. In dealing with competition, my firm typically responds to action which competitors initiate as compared with initiating action which the competition then responds to.(R)	79	74	38	30	29
Average	80	71	40	33	26
Factor 3: Innovativeness					
I2. In the last five years, my firm has marketed no new lines of products or services as compared with very many new product lines or services. (R)	65	78	41	33	33
I3. In my firm, changes in product or service lines have been mostly of a minor nature as compared with being quite dramatic (R)	68	77	45	28	32
I1. In general, top managers of my firm favor a strong emphasis on the marketing of tried and true products and services as compared with an emphasis on R & D, technological leadership, and Innovations	70	75	37	33	35
Average	68	77	41	31	33
Factor 4Leverage					
1 My company have enough resources to pursue new ventures	82	68	23	42	35
2 My organization has a competitive edge over rivals in the marketplace	77	74	31	36	32
3 My company attaches a lot of importance to value	72	77	33	39	29
Average	77	73	29	39	32
Firm performance					
1 The increment of sales relative to largest competitor	85	68	30	32	35
2 The increment of market share relative to largest competitors	80	60	28	37	37
3 The increment of profit relative to largest competitor	82	68	30	35	30
4 The increment of new product introduction relative to largest competitors	85	63	31	37	34
Average	83	67	30	35	34

ISSN: 2455-8834

Volume:02, Issue:04

The following are the results;

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
Strongly agree	2	163.3333	81.66667	3.555556
Agree	2	146.0833	73.04167	79.17014
Neutral	2	63.41667	31.70833	7.670139
Disagree	2	65.25	32.625	13.78125
Strongly Disagree	2	60.66667	30.33333	26.88889

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	5113.743	4	1278.436	48.7707	0.000339	5.192168
Within Groups	131.066	5	26.21319			
Total	5244.809	9				

Table 2: ANOVA result of Risk taking and performance

Test of Hypothesis 1

$H_{0:}$ Risk taking as a dimension of corporate entrepreneurship has no significant effect on bank performance

$H1_{:}$ Risk taking as a dimension of corporate entrepreneurship has a significant effect on bank performance

Decision rule: If the F value at the degree of freedom (4, 5) is greater than the F critical value, reject H0. The F value at degree of freedom (4, 5) is 48.77 and the F-critical value is 5.19. F value > F critical value. Therefore, H_0 is rejected and H1 accepted. Risk taking as a dimension of corporate entrepreneurship has a significant effect on bank performance.

ISSN: 2455-8834

Volume:02, Issue:04

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
Strongly agree	2	163.3333	81.66667	3.555556
Agree	2	138.0833	69.04167	10.50347
Neutral	2	69.75	34.875	52.53125
Disagree	2	67.91667	33.95833	3.336806
Strongly Disagree	2	59.66667	29.83333	34.72222

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	4516.16	4	1129.04	53.94398	0.000266	5.192168
Within Groups	104.6493	5	20.92986			
Total	4620.809	9				

Table 3: ANOVA result on Proactiveness and bank performance

Test of Hypothesis 2

$H_{0:}$ Proactiveness as a dimension of corporate entrepreneurship has no significant effect on bank performance

$H1_{:}$ Proactiveness as a dimension of corporate entrepreneurship has a significant effect on bank performance.

Decision rule: If the F value at the degree of freedom (4, 5) is greater than the F critical value, reject H0. The F value at degree of freedom (4, 5) is 53.94 and the F-critical value is 5.19. F value > F critical value. Therefore, H_0 is rejected and H_1 accepted. Proactiveness as a dimension of corporate entrepreneurship has a significant effect on bank performance.

ISSN: 2455-8834

Volume:02, Issue:04

Anova: Single Factor
SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
Strongly agree	2	150.6667	75.33333	117.5556
Agree	2	143.4167	71.70833	49.17014
Neutral	2	70.75	35.375	63.28125
Disagree	2	66.58333	33.29167	7.670139
Strongly Disagree	2	67.33333	33.66667	0.222222

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	3745.576	4	936.3941	19.68047	0.002921	5.192168
Within Groups	237.8993	5	47.57986			
Total	3983.476	9				

Table 4: ANOVA result of Innovativeness and Performance

Test of Hypothesis 3

$H_{0:}$ Innovativeness as a dimension of corporate entrepreneurship has no significant effect on bank performance
H1: Innovativeness as a dimension of corporate entrepreneurship has a significant effect on bank performance.

Decision rule: If the F value at the degree of freedom (4, 5) is greater than the F critical value, reject H0. The F value at degree of freedom (4, 5) is 19.68 and the F-critical value is 5.19. F value > F critical value. Therefore, H_0 is rejected and H_1 accepted. Innovativeness as a dimension of corporate entrepreneurship has a significant effect on bank performance.

ISSN: 2455-8834

Volume:02, Issue:04

Anova: Single factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
Strongly agree	2	160	80	18
Agree	2	139.75	69.875	19.53125
Neutral	2	58.75	29.375	0.28125
Disagree	2	74.25	37.125	7.03125
Strongly Disagree	2	66	33	2

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	4350.188	4	1087.547	116.0824	4.07E-05	5.192168
Within Groups	46.84375	5	9.36875			
Total	4397.031	9				

ANOVA result of Leverage and Performance

Test of Hypothesis 4

$H_{0:}$ Leverage as a dimension of corporate entrepreneurship has no significant effect on bank performance
H1: Leverage as a dimension of corporate entrepreneurship has a significant effect on bank performance.

Decision rule: If the F value at the degree of freedom (4, 5) is greater than the F critical value, reject H0. The F value at degree of freedom (4, 5) is 116.08 and the F-critical value is 5.19. F value > F critical value. Therefore, H_0 is rejected and H_1 accepted. Leverage as a dimension of corporate entrepreneurship has a significant effect on bank performance.

Performance of the banks as measured by ROA and ROE

We explored two quantitative performance data related to profitability and hence growth of the banks from 2007 to 20015 to enable us measure the banks' financial performance. The data for this were extracted from the annual reports of the banks concerned. Analyzing the quantitative data was necessary since it permitted us compare the results with those gotten from the survey. Graphs depicting performance of the various banks are plotted as in figures 1 to 5 below. From

ISSN: 2455-8834

Volume:02, Issue:04

the graphs, it can be seen clearly that 2010 to 2012 were fairly good years to all the banks as they all registered positive ROA and ROE in comparison with the previous years. The fall of oil prices in the world market took its toll on the banks profitability in 2013 to 2014, but with the adjustment of strategies through corporate entrepreneurship, the banks began to slowly pick-up. In all, Access bank has the greatest impact of these adjustments with the most promising performance as depicted by the graphs in figure 2 below.

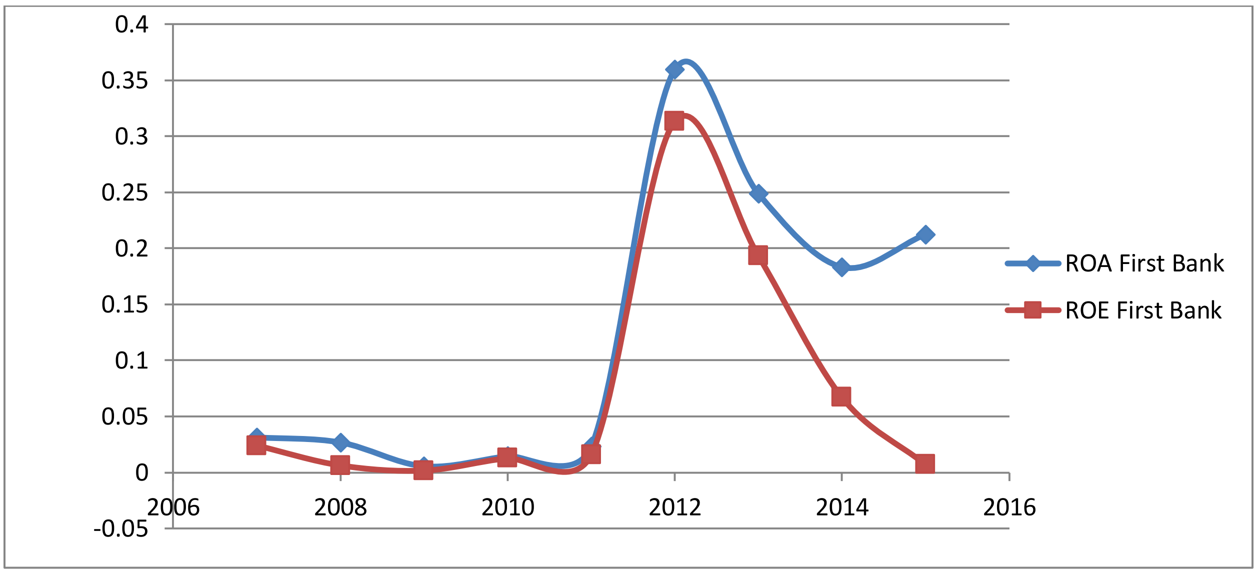


Fig. 1:Annual growth of First bank as measured by ROA and ROE

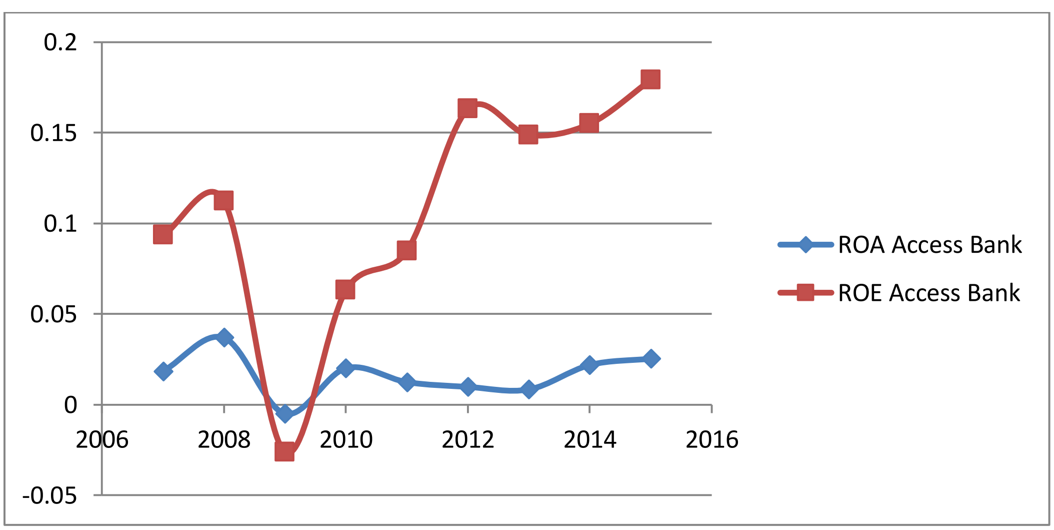


Fig. 2: Graph of Annual growth of Access bank as measured by ROA and ROE

ISSN: 2455-8834

Volume:02, Issue:04

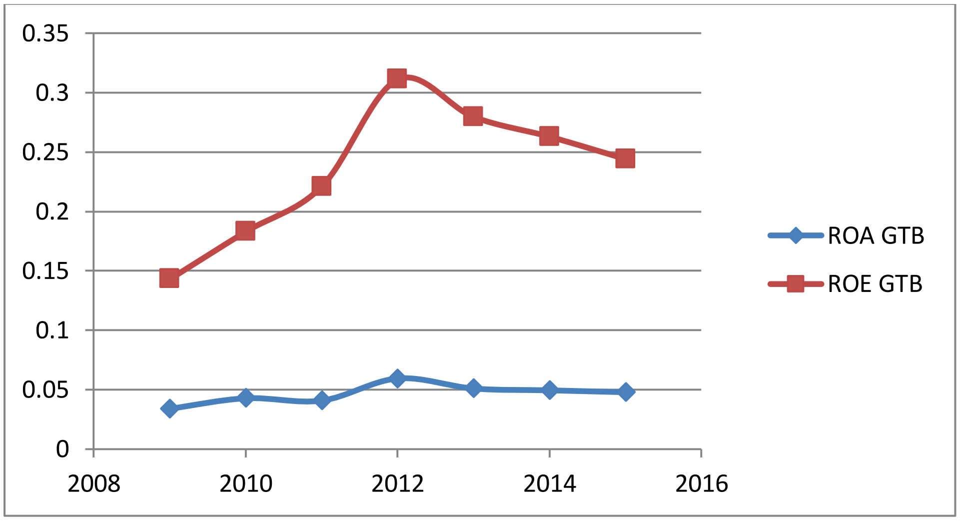


Figure 3: Graph of Annual growth of GTB bank as measured by ROA and ROE

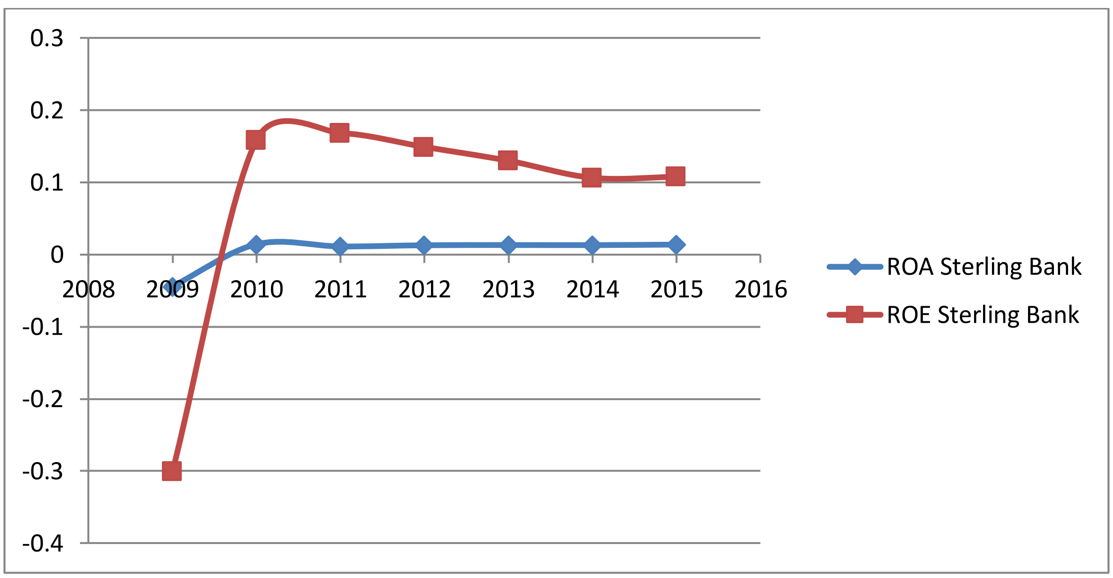


Figure 4: Graph of Annual growth of Sterling bank as measured by ROA and ROE

ISSN: 2455-8834

Volume:02, Issue:04

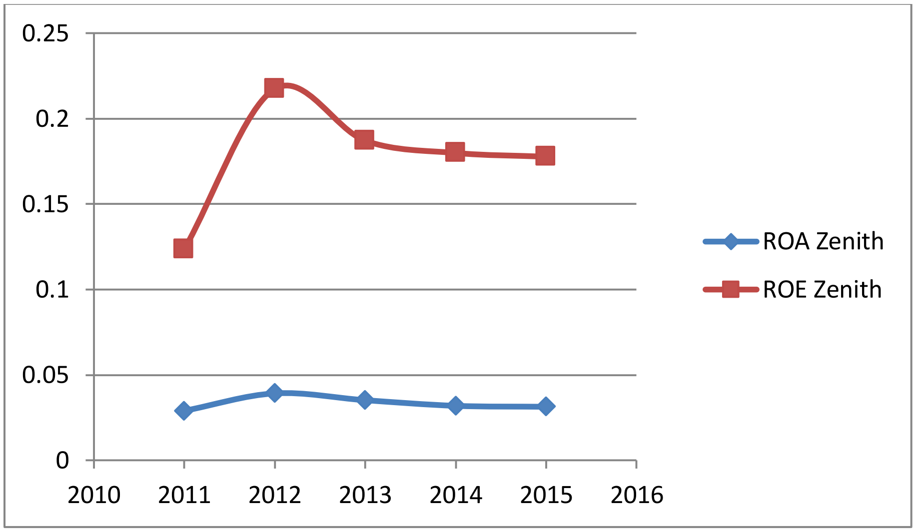


Figure 5: Graph of Annual growth of Zenith bank as measured by ROA and ROE

We attempted in this study to test a structural equation model (SEM) in which four dimensions of corporate entrepreneurship, viz; risk taking, proactiveness, innovativeness and leverage were used to determine the effect of corporate entrepreneurship in five Nigerian banks. This is in line with the many dimensions that have been used for corporate entrepreneurship in various studies carried out across the globe. We combined some dimensions used by Kuratko, Hornsby, and Hayton, (2015) and Wang and Zhang, (2009). This is consistent with those employed by other researchers foremost among who are Lumpkin, and Dess, (1996).

The result of the findings shows that all the four dimensions of corporate entrepreneurship have a positive effect on bank performance in Nigeria. This simply means that corporate entrepreneurship enhances performance, This result followed F= statistic values of all the dimensions greater than their respective F critical values and corresponding P-values much less than the threshold of 0,05. This let us to reject all the null hypotheses. Also, in analysing SEM, analysis of variance and covariance is advised in literature, Escober, (2016). This is especially in the case of a latent variable as corporate entrepreneurship. The result of our findings is consistent with literature. for instance, Rutherford and Holt, (2007), Morris, Schindehutte, and Allen, J. 2005. The quantitative financial performance figures as measured by the ROA and ROE of the banks under study reflect the results of the findings. Graphs have been used to show the clearity of these relationships.

ISSN: 2455-8834

Volume:02, Issue:04

CONCLUSION AND RECOMMENDATIONS

This study concludes that intrapreneurial intensities are common characteristics of firms that pay special attention to corporate entrepreneurship which in turn confirms that there is a close relationship between Corporate entrepreneurship and performance. It is equally obvious from our analysis that corporate entrepreneurship is applied in all firms, irrespective of size. The study also ascertained that nurturing organizational structures, basic standards, and conditions favourable for intraprenurial activities, do propel firms to realize better performance results.

Most intrapreneurial organizations employ innovative ideas, orient towards new business venturing by being proactive are adaptive to the changing business environment, are pragmatic and are self renovating. The study also contend that for corporate entrepreneurship to squarely fit in as a driver of performance, a culture that take calculated risk, motivates, encourages, rewards deserved employees and inspires them to exhibit intrapreneurial skills, should be instituted in the system. This is in line with Chang (1998) who contends that the relationship between entrepreneurial posture and firm performance is moderated by environmental conditions. There is therefore no doubt that corporate entrepreneurship is a launch pad to firms' profitability and stability. Equally, in the face of economic depression, caused by the dwindling oil prices, stiff competition due to trade liberalization and globalization, actors that will stay in business will be those employing entreprepreneurial skills.

REFERENCES

Ali, U.W., Rosli, M., and Umair, A. (2016) Unveiling the direct effect of corporate entrepreneurship's dimensions on the business performance: A case of big five banks in Pakistan, Studies in Business and Economics,*11(1): 181-195*

Altuntaş, G., & Dönmez, D. (2010). The relationship between entrepreneurial orientation and organizational performance: Evidence from the hotel industry in Çanakkale Region. *Istanbul University Journal of the School of Business Administration*, *39*(1), 50-74.

Ambad, S. N. and Wahab K. A. (2013). Understanding the Effect of Corporate Entrepreneurship on Firm Performance, The International Academic Forum, the European Conference on the Social Sciences' Official Conference Proceedings 2013

Andersen, T. B., & Tarp, F. (2003). Financial liberalization, financial development and economic performance: A meta-analysis. Small Business Economics, 1-24.

Antoncinc, B. & Hisrich, R. D. (2001). Intrapreneurship: Construct refinement and crosscultural validation. *Journal of Business Venturing*, 16, 495 – 527.

ISSN: 2455-8834

Volume:02, Issue:04

Armesh1, H., Wei2, C. C. and Marthandan, G. (2014). Corporate Entrepreneurship Antecedents and Firm Performance in Iranian Manufacturing SMEs: Mediating Role of Corporate Entrepreneurship, *Journal of Basic and Applied Scientific Research, 4(5)36-51*

Bierwerth, M., Schwens, C., Isidor, R., & Kabst, R. (2015). Corporate entrepreneurship and *Business Venturing*, 22(5): 613-627. challenge for a new global economic reality. *Small Business Economics*, 1-9.

Covin, J. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management*

Covin, J.G. & Slevin D.P. (1986). The development and testing of an organization-level entrepreneurship scale. In R.Ronstadt, J.A. Hornaday, R. Peterson & K.H. Vesper (Eds.), Frontiers of Entrepreneurship Research, 628-639, Wellesley, MA: Babson College.

Covin, J.G. and Slevin, D.P. (1990), “New venture strategic posture, structure, and performance:

Danişman, A., & Erkocaoğlan, E. (2007). Corporate entrepreneurship and firm performance: a research study on İstanbul stock exchange firms. İktisat İşletme ve Finans, 22(260), 80-101.

Dawn R DeTienne (2004), THE RELEVANCE OF THEORIES OF CHANGE FOR CORPORATE ENTREPRENEURSHIP SCHOLARS, in (ed.) Advances in Entrepreneurship, Firm Emergence and Growth, Emerald Group Publishing Limited, 7:73 – 99

Digman, J. M. (1990, February). Personality structure: emergence of the five-factor model. Annual Review of Psychology, 41, 417-440.

Falbe, C.M. & Larwood, L. (1995). The Context of Entrepreneurial Vision, Frontiers of Entrepreneurial Research, Wellesley, Mass.: Babson College.

Frese, M., Rousseau, D. M., & Wiklund, J. (2014). The emergence of evidence-based

Gartner, W.B. (2007) "Entrepreneurial narrative and a science of the imagination." *Journal of*

Goodale, J. C., Kuratko, D. F., Hornsby, J. S., & Covin, J. G. (2011). Operations management and corporate entrepreneurship: The moderating effect of operations control on the antecedents of corporate entrepreneurial activity in relation to innovation performance. Journal of Operations Management, 29(1), 116-127. growth in LDCs. Journal of International Development, 15(2), 189-209.

Heavey, C., & Simsek, Z. (2013). Top management compositional effects on corporate Journal of Product Innovation Management, 30(5), 837–855.

ISSN: 2455-8834

Volume:02, Issue:04

Holgado-Tello, F., Carrasco-Ortiz, M., del Barrio Gándara, M., & Moscoso, S. (2009). Factor analysis of theBig Five Questionnaire using polychoric correlations in children. Quality & Quantity: International Journal of Methodology, 43(1), 75-85

Hornsby, J.S., D.F. Kuratko & S.A. Zahra. (2002) "Middle managers' perception of the internal environment for corporate entrepreneurship: Assessing a measurement scale, Journal of business Venturing, 17(3), 253-273.

Kahkha, A. O., Kahrazeh, A. and Armesh, H. (2014).Corporate Entrepreneurship and Firm Performance Important Role of Small and Medium Enterprise, *International Journal of Academic Research in Business and Social Sciences, 4(6): 8-25*

Karacaoglu, K., Bayrakdaroğlu. A. and San, F. B.(2013). The impact of corporate entrepreneurship on firms' financial performance: Evidence from Istanbul stock exchange firms. International Business Research, 6(1):163-175

Kreiser, P., Marino, L. & Weaver, L.M. 2002. 'Assessing the relationship between entrepreneurial orientation, the external environment and firm performance', *Frontiers of Entrepreneurship Research,* Babson College.

Kuratko, D. F., Hornsby, J. S., & Hayton, J. (2015). Corporate entrepreneurship: the innovative

Lee, C., Lee, K., & Pennings, J. M. 2001. Internal capabilities, external networks, and firm performance: A

Lumpkin, G.T. and Dess, G.G. (1996), "Clarifying the entrepreneurial orientation construct and linking it to performance", Academy of Management Review, Vol. 12 No. 1, pp. 135-72.

Lwamba, N.M., and Bwisa, 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*

Miller, D. & Friesen, P. H. (1982). Innovation in conservative and entrepreneurial firms: Strategic momentum. *Strategic Management Journal,* 3.

Miller, D. (1983). The correlates of entrepreneurship in three types fit. *Management Science*, models of Two *of Business Venturing*, 17(3): 253-273.

Minguzzi, A., and Passaro, R. (2000). The Network of Relationships between the Economic Environment and the Entrepreneurial Culture in Small Firms, Journal of Business Venturing, 16: 181-207

Morris, M.H., Schindehutte, M. & Allen, J. 2005. 'The entrepreneur's business model: toward a unified perspective', *Journal of Business Research*, 58(6):726–735.

Nafie, N.A, Tjambolang, T.A., and Pane, D. (2016). The Effect of corporate entrepreneurship on firm performance (Case Study on SMEs Processing Refined Seaweed Product in South Sulawesi, Indonesia), European Journal of Business and Management, 8(3): 108-124

Otachea, I. and Rosli, M.(2015). Corporate entrepreneurship and business performance: The role of external environment and organizational culture: A proposed framework*, Mediterranean Journal of Social Sciences, 6(4):524-531*

Rutherford, M.W. and Holt, D.T. (2007). Corporate entrepreneurship An empirical look at the innovativeness dimension and its antecedents, Journal of Organizational Change Management, 20(3): 429-446

Scheepers, M.J., Hough, J and Bloom, J.Z. (2008). Nurturing the corporate entrepreneurship capability, Southern African Business Review, 12(3): 50-75

Schillo, R.S. (2011). Entrepreneurial Orientation and Company Performance: Can the Academic Literature Guide Managers? Technological innovation Management Review, 20-25

Wang, Y and Zhang, X (2009). Operationalization of corporate entrepreneurship and its performance implications in China An empirical study, Journal of Chinese Entrepreneurship, 1(1): 8-18

Webb, T.L., Sniehotta, F.F. & MICHIE, S. (2010). Using theories of behaviour change to inform interventions for addictive behaviours. *Addiction,* 105, 1879-1892.

WORLU, R., EVIOGHENESI, M., AJAGBE. M. A. and OKOYE, L. U. (2015). Ownership Structure and Performance of Entrepreneurial Firms in Nigeria, International Journal of Economics and Business Management, 19.(3): 1-12

Zahra, S. A. (2010). Harvesting family firms' organizational social capital: A relational study on technology-based ventures. *Strategic Management Journal,* 22: 615–640.

Zahra, S. A. (2012). Organizational learning and entrepreneurship in family firms: Exploring the moderating effect of ownership and cohesion. Small Business Economics, 38(1), 51– 65

Zain, M. and Hassam A.E. (2007). The Impact of Corporate Entrepreneurship on Company Growth in a Hostile Business Environment, The Global Conference on Businessnnd Economics, Oct 13-14, Rome, Italy

ISSN: 2455-8834

Volume:02, Issue:04

Ziglio, E. (1996) The delphi method and its contribution to decision-making. In Adler, M. & E. Ziglio, editors, *Gazing into the oracle. The delphi method and its application to social policy and public health* perspective*,* Journal of Management Studies, 47(2): 345–366.