CORPORATE ENTREPRENEURSHIP AND SERVICE FIRMS' PERFORMANCE IN NIGERIA

Moruff Sanjo Oladimeji[1], Adebiyi Julius Abosede[2], Benneth Uchenna Eze[3]

ABSTRACT

The study examines the effect of corporate entrepreneurship (CE) as measured by innovation, risk taking, proactiveness, strategic renewal and corporate venturing on service firm non-financial performance as measured by market share, employee's satisfaction, efficiency, productivity and workforce development. The study employed a survey research design through the administration of a structured questionnaire on 636 employees of 21 service firms, purposively selected. The questionnaire was validated by eight assessors (four academics and four management staff of service firms), in order to ensure that the instrument measures what it is designed to measure. The test re-test method was employed to test the reliability of the instrument, by conducting a pilot study, whereby, the questionnaire was administered twice within an interval of two weeks to 20 management staff of service firms, and the result of the two tests was correlated. This yielded a value of 0.78, which implies that the instrument is reliable. The data was analyzed with the aid of Stata12 and the findings reveal that CE elements account for 56% variation in service firm's performance (Adj R-squared =0.5604). The findings further suggest that innovation, risk taking, proactiveness and corporate venturing significantly affect service firm performance, while strategic renewal does not significantly affect service firm performance. It is therefore recommended that in employing CE elements to enhance non-financial performance, service firm managers should focus on innovation, risk taking, corporate venturing and proactiveness, while strategic renewal should be employed cautiously.

Keywords: corporate entrepreneurship, innovation, proactiveness, risk taking, strategic renewal, corporate venturing.

JEL: L25, L26

1. INTRODUCTION

In the continually varying business setting, firms are inclined to search for new opportunities in the market, where they will be able to enhance their competitive advantage and surpass competitors. Firms seek to enhance their financial and non-financial performance, so as to meet up with their daily requirement and continuous existence. The service sector has some unique features that differentiate it from other sectors and these features include intangibility, inseparability, heterogeneity, and portability. The service sector in Nigeria includes a wide range of activities and it is one of the growing sectors of the Nigerian economy. The services include: banking, insurance, stockbrokerage, consulting, education, hospitality, health care, telecommunication, oil servicers, entertainment, among others.

Scholars have studied the effect of corporate entrepreneurship (CE) on firms' performance (Adele, 2015; Goosen, Coning & Smit, 2002; Nyanjom, 2007; Ashivata, 2010; Lekmat & Selvarajah, 2008; Terrence, Titikorn & Sang,

1 *Department of Business Administration, Faculty of Administration & Management Sciences, Olabisi Onabanjo University, Ago – Iwoye, Ogun State, Nigeria, moruff.oladimeji@oouagoiwoye.edu.ng*
2 *Department of Business Administration, Faculty of Administration & Management Sciences, Olabisi Onabanjo University, Ago – Iwoye, Ogun State, Nigeria, adebiyi.abosede@oouagoiwoye.edu.ng*
3 *Department of Business Administration, Faculty of Management and Social Sciences, Hallmark University, Ijebu-Itele, Ogun State, Nigeria, beneze@imenigeria.org.ng*

2010; Zahra 2001, RomeroMartínez, Fernández-Rodríguez & Vázquez-Inchausti, 2010; Eze, 2018). However, these studies focused on financial performance measures, while some were carried out in the manufacturing sector. The few studies that examined the effect of CE on service firms' performance focused on a single industry, like the telecommunication industry. The studies showing the effect of CE on the performance of service firms in Nigeria are sparse. Most of the related studies are from Eastern and Southern Africa regions, as well as from some developed and emerging countries, while such studies from the West Africa region are sparse. Scholars have identified socio-cultural, political as well as economic differences among the developed economies, emerging economies and developping economies. Furthermore, most of the studies employed financial performance measures.

In addressing this gap, this study examines the effect of CE on the non-financial performance of service firms in Nigeria, with a focus on how CE elements (Innovation, Proactiveness, Risk taking, Strategic renewal and Corporate venturing) affect the non-financial performance (measured by: market share, employyee's satisfaction, efficiency, productivity and workforce development) of service firms in Nigeria.

In line with the research objectives, the following hypotheses were formulated:

Ho_1: Innovation does not significantly affect service firms' non-financial performance in Nigeria.

Ho_2: Proactiveness does not significantly affect service firms' non-financial performance in Nigeria.

Ho_3: Risk taking does not significantly affect service firms' non-financial performance in Nigeria.

Ho_4: Strategic renewal does not significantly affect service firms' non-financial performance in Nigeria.

Ho_5: Corporate venturing does not significantly affect service firms' non-financial performance in Nigeria.

Ho_6: Corporate entrepreneurship elements (innovation, proactiveness, risk taking, strategic renewal and corporate venturing) do not have a combined significant effect on service firms' non-financial performance in Nigeria.

2. LITERATURE REVIEW

CE has been conceived as the entrepreneurial activities of business entities. Wolcot and Lippitz, 2007 opine that CE refers to a process whereby groups within the confine of existing firms, initiate and coordinate a new venture that is different from the existing firm (parent firm) but utilizes the parent firm's tangible and intangible assets. Guth and Ginsberg (1990) posit that CE is manifested through the use of strategic renewal to transform existing firms and the creation of new venture. Zahra (1991) emphasizes that CE refers to the creation of new businesses in existing firms, through formal and informal actions, geared towards the product and process innovateveness. Some scholars conceive the concept of CE as being similar with intrapreneurship, thereby, using the two concepts (CE and intrapreneurship) interchangeably (Kahkha, Kahrazeh & Aramesh, 2014).

Miller and Friesen (1982) measured CE by employing the following constructs: proactiveness, innovation, as well as risk taking. They referred to their measure of CE as "entrepreneurial style" and stated that entrepreneurial style is the combination of three measures: the propensity to innovate, the propensity to be proactive, and the propensity to take business risks. Jancenelle, Storrud-Barnes (2017) incorporated the concepts of competitive aggressiveness and autonomy in addition to innovation, proactiveness and risk taking to the elements of CE. Daryani and Karimi (2017) posit that CE extensively impacts knowledge creation, learning orientation and firms' performance. Zahra (1995) highlighted three components of CE: innovation, strategic renewal, and corporate venturing. Eze (2018) measures CE by making use of innovation, proactiveness, risk taking, strategic renewal, and corporate venturing. The Miller and Friesen (1982) concept of CE has been adopted by many scholars. This study adapts the Miller and Friesen (1982) concept, which measures CE by employing innovation, proactiveness and risk taking, as well as Zahra (1995) measures that include strategic renewal and corporate venturing.

2.1 The Concepts of Innovation, Risk Taking, Proactiveness, Strategic Renewal and Corporate Venturing

Lumpkin and Dess (1996) posit that innovation is a firms' inclination to get involved in and sustain new ideas, uniqueness, experimentation and creative processes that may result in new products, services, or technological processes or venturing into foreign market. Innovative organizations have the ability to monitor the market changes and act promptly, thereby taking advantage of emerging opportunities (Oladimeji, Abosede & Eze, 2018; Wiklund, 1999). Clark (2010) opines that firms that are innovators focus on value creation.

Risk taking entails taking daring steps by venturing into the unknown. Entrepreneurial firms are risk-tolerant and these features always encourage them to purge the kind of established authoritarian composition that restrains shared learning (Wang, 2008). Zahra and Garvis (2000) opine that risk taking is an organization's disposition to shore up projects that are innovative, irrespective of how doubtful such activities are. These organizations give individuals and team the opportunity to act autonomously and apply their creativity by taking risks in the generation of new ideas (Lumpkin & Dess, 1996). According to Wang (2008), risk-tolerant organizations support creativity through creative thinking, showing tolerance for mistakes as well as encouraging individuals with novel ideas that aid innovativeness and enhance business.

Rauch *et al.* (2009) assert that proactiveness demonstrates an organization's quest for business opportunities and a strong emphasis on being among the early movers to employ innovativeness in its industry. Wiklund (1999) posits that proactiveness gives firms the ability to present new products or services to the market ahead of rivals, which also gives them a competitive advantage. Proactive firms have the likelihood of leading than following in the creation of new products, services, or process as well as in entering foreign market (Lumpkin & Dess, 1996). An entrepreneurial firm encourages flexibility and grants individuals and teams the freedom to exercise their creativity to develop new ideas (Wang, 2008). These activities by the organization's team enable the organization to be more proactive in product or service introduction. It is closely related to innovativeness.

Strategic renewal is usually seen as a transformational action related to environment, objectives, strategy and structure towards the attainment of long-term objectives. Strategic renewal has evolved, mainly with researchers active in areas of strategy process (Zahra, 1995; Chakravarthy 1984; Schendel & Hofer 1979), strategic content, organizational design, and dynamic capabilities (Agarwal & Helfat, 2009). Strategic renewal refers to a situation where the content and process of strategy are heavily intertwined, involving multiple magnitude of change including those with regard to competition, firm resources and capabilities, organizational structure, and cognition, as well as routines and processes for decision making and execution. This renewal can be in firms' competitive strategy, which can propel a firm to seek opportunities for better performance (Agarwal & Helfat 2009).

Corporate venturing involves different techniques for creating, investing and adding new businesses (Kuratko & Audretsch, 2009). With internal corporate venturing, new ventures are established and owned by the organization. These businesses usually exist within the organization, but might exist outside the firm and operate as semi-independent business entities; in this case, they are usually joint ventures. Internal corporate ventures are usually housed within the organizational boundaries of the enterprise, some might be established as a part of an existing in-house organizational structure and others might exist in a newly set up organization within the corporate structure.

2.1.1 Organizational Performance

Organizational performance refers to the financial and non-financial results of firms as considered against its proposed objectives. It can largely be divided into financial and non-financial performance measures. Kaplan and Norton (1996) opine that financial performance measures can be categorized into two major forms: traditional measures which are based on accounting or financial data, which reflect firms' past financial performance and market-based measures derived from stock market values which are based on valuation principles. Financial performance measures include: profit, earnings per share, revenue, sales growth or total shareholder return. One major demerit of financial performance measures is that they can lead to manipulation by top executives. This can further be elucidated by the bonus-maximization hypo-thesis proposed by Watts and Zimmerman (1986), which proposes that managers of firms with bonus plans are more likely to choose accounting procedures that shift reported earnings from future periods to current periods. When a manager's earnings fall below the required target level, they are likely to manipulate earnings upwards. Another important disadvantage is that financial performance measures propel managers to focus on the short-term goals of the firm.

Non-financial performance measures focus on non-accounting aspects of the organization. These measures include: customer satisfaction, on time delivery, product quality, workforce development, market share, efficiency, productivity, attainment of strategic objectives, leadership, customers' and employees' satisfaction (Ibrahim & Lloyd, 2011). Non-financial performance measures have a number of essential benefits when compared to financial performance measures. Firms that have high non-financial performance measures tend to pose a better financial performance in the future. However, non-financial performance measures can easily be manipulated, because different indices are used for their computation across firms and they are not subjected to public scrutiny. This hampers comparison of performance among firms (Ibrahim & Lloyd, 2011). Considering the futuristic posture of non-financial measures, they are an important performance measure. However, most scholars (Adele, 2015; Ashivata, 2010; Terrence, Titikom & Sang, 2010; Lekmat & Selvarajah, 2008; Goosen *et al*., 2002; Zahra, 2001) employed financial performance measures and the literature only documents few works that employed non-financial performance measures.

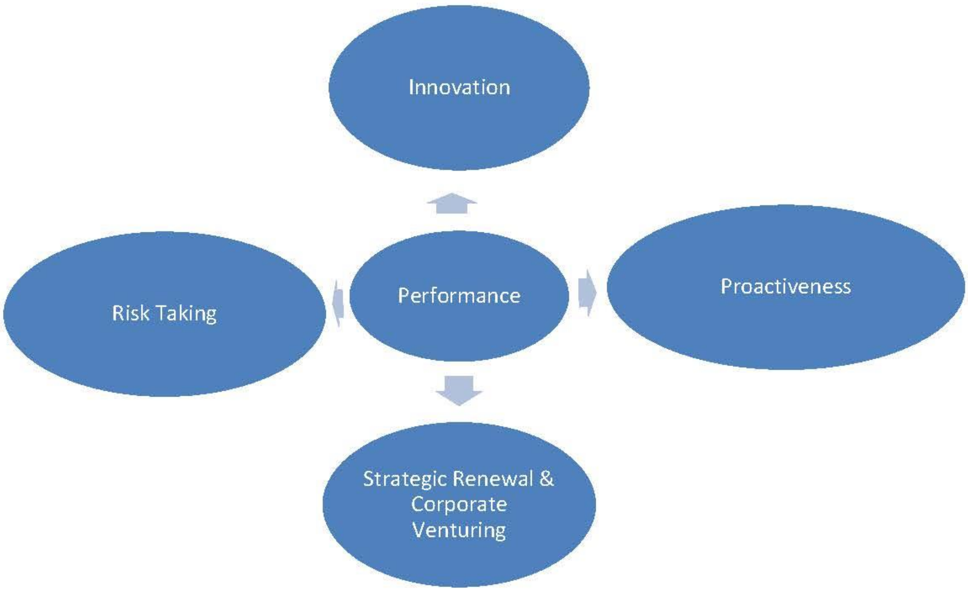

Figure 2.1 *Conceptual Framework*

Source: Authors' compilation

The conceptual framework suggests that innovation, risk taking, proactiveness, strategic renewal and corporate venturing will enhance service firms' performance.

2.2 Theoretical Review

The CE model of Goosen, Coning and Smit and Schumpeter's theory of innovation were adapted for this study. Goosen, Coning and Smit (2002) developed a CE model incorporating three main and nine related components of CE that have been well documented in the literature. The three main components are innovativeness, self-renewal and proactiveness. The nine related components are; management style, management orientation, communication, environment, structures, strategy, risk-taking, creativity and innovation, product innovativeness and proactiveness. The new additional dimensions add to the richness of the CE culture. The model postulates that the adoption of CE elements will enhance firm's financial performance. This study adapts the model with some modifycations, by incorporating corporate venturing to the model, which has been identified by some scholars (Lekmat & Selvarajah, 2008; Romero-Martinez, 2010; Morris, Kuratko & Covin, 2011; Thornton, Ribeiro-soriano & Urbano, 2011; Kuratko & Audretsch, 2013) as an important component of CE as well as by replacing self-renewal with strategic renewal which has also been recognized by some scholars (Lekmat & Selvarajah, 2008; Morris, Romero-Martinez, 2010) as a key component of CE.

Schumpeter's (1934) theory of innovation highlights the importance of entrepreneurship, by examining entrepreneurial profits, and the quest for avenues for new value creation and generation of ideas that tends to enhance the circular flow of income. This could be attained through the entrepreneurs' innovativeness, proactiveness and risk-taking activities as well as through the promotion of the recognition of business opportunities, by utilizing the intellectual capital of the enterprise leadership towards the maximization of future growth and profit. The theory postulates that innovativeness, proactiveness, and risk-taking activities of entrepreneurs or management tend to enhance the growth and profitability of the organization.

Schumpeter (1934) makes a distinction between intellectual and physical capital, and between savings that enhance physical capital, and innovation that enhances intellectual capital. His theory assumes that technological improvement comes as a result of innovative activities implemented by organizations propelled by profit motives and that it entails what Schumpeter refers to as creative destruction. It implies that innovation brings about the creation of new product, process as well as market, which gives its creator a competitive advantage over its competitors; it renders some earlier innovations obsolete; and it is in turn most likely to be rendered obsolete by prospective innovations (Schu-mpeter, 1934). Innovation propels technolo-gical progress, which results in the deve-lopment of new market, products and pro-cesses that are usually the upshot of economic activities.

2.3 Empirical Literature Review

Scholars have studied the effect of CE on firms' performance with most studies suggesting that CE affects firms' performance (especially financial performance). A study by Zahra (2001) using a survey research method, in the United States of America, revealed that CE has a positive relationship with financial performance measures. Goosen *et al*. (2002) studied the effect of CE on industrial firms' performance in South Africa. The findings revealed that CE components such as proactiveness, innovation and management's internal influence significantly affect the financial performance of firms listed in the Johannesburg stock exchange industrial sector. Nyanjom (2007) sought to determine whether existing firms in Botswana represent the concept of an entrepreneurial organization within the domain of CE by pursuing innovative opportunities. The objective of the study was to identify the knowledge, attitudes and beliefs of individuals in the organization as potential corporate entrepreneurs and their ability to embark on innovative activities. Using a survey research design, the study included a sample of 100 respondents at supervisory levels and above in large corporate companies from eight different provinces in Botswana. The findings revealed the link between CE orientation and the pursuit of innovation as a means of enhancing entrepreneurial activities in enterprises in Botswana. It further revealed that firms with high CE orientation obtain higher benefit by exploiting innovative opportunities.

Lekmat and Selvarajah (2008) studied the corporate entrepreneurial actions of senior managers in Thailand's state-owned automobile-parts manufacturing firms. The study examined the relationship between CE and firms' performance in terms of growth and profitability using a survey research method through the use of a 23-item instrument comprising: proactiveness (3 items), innovativeness (5 items), new business venturing (4 items), self-renewal (11 items), and financial performance (4 items). Cash flow, profitability, market share and sales growth were used to measure financial performance. The result indicated that CE has a significant influence on firms' financial performance and that innovativeness has the strongest effect on firms' financial performance. Self-renewal and organizational support were also found to be positively and significantly related to firms' financial performance. Ashivata (2010) conducted a study aimed at determining the effect of CE on mobile phone service providers in Kenya. The study sought to determine whether mobile phone service providers practice CE and the effects on firms' performance, using a survey research method. The findings suggest that CE brings about more revenue and thereby better performance to these firms.

Terrence, Titikorn and Sang (2010) evaluated CE in the face of changing competition in six Thai manufacturing firms. The study employed a mixed method (qualitative and quanti-tative), through interviews with the top managers and responses to the corporate entrepreneurship assessment instrument (CEAI) by middle level managers in three large and three medium Thailand manufacturing enterprises. The findings revealed that management support for CE, their use of rewards and recognition, and allowing workers discretion in their jobs were all significantly related to enhancing competitiveness, as measured by internal performance improvement and firms' financial improvement.

Olughor (2014) carried out a study on CE and employee retention strategies in Nigerian telecommunication industry using a survey method. The study adopted CEAI, which is an instrument that captures the existence of CE in an organization. Multiple regression analysis was employed for data analysis. The result showed that apart from time availability, other factors in the internal environment such as management support, work discretion, reward, re-enforcement and organizational boundary each had a significant effect on CE.

Oyedokun (2015) investigated the relationship between CE and dynamic capability in the selected pharmaceutical firms in Nigeria. Specifically, the relationship between employee's innovative prowess and learning, reconfiguration, coordination and integration of the firm's resources was examined. A total of 420 questionnaires were administered among the selected pharmaceutical firms. Stratified random sampling technique was adopted to ensure proportional representation of the selected firms in the industry. Random sampling technique was also adopted in each functional unit to enable employees' equal chances of being selected. The data for the study were analyzed by the Structural Equation Model (SEM). The findings suggest a strong relationship between CE and dynamic capabilities. The study concluded that CE stimulated the development of dynamic capabilities. Thus, it is the bedrock of strategic changes in the pharmaceutical firms. Innovativeness, proactive and risk-taking skills of employees stimulated firms' capability to spot and exploit business opportunities.

Adele (2015) examined CE as a solution to the advent of fast-growing firms in Nigeria, with the specific aim of analyzing the effects of CE on the corporate financial performance of selected manufacturing firms in Nigeria. The selected beverage manufacturing firms in Nigeria were purposively picked for the study. The secondary data obtained from the audited annual reports and accounts of the firms were analyzed with the aids of descriptive statistical tools to determine the linkage between their entrepreneurial activities and their performance indices (assets, gross earnings and profit before tax). The findings revealed that those firms that assimilate entrepreneurship culture and engage in active entrepreneurial activities tend to record outstanding growth in their performance indices, expand their operational scope and consolidate leadership positions in their industry. Consequently, government policies that encourage infrastructural development, large scale research and development should be encouraged. Conducive atmosphere to experiment and network or leverage on social (state) resources should be given top attention.

Daryani and Karimi (2017) examined the relationships between CE and firms' performance in agricultural small and medium-sized enterprises (SMEs) in Iran. The scholars' major objective was to evaluate mediating influence of knowledge creation and learning orientation on the relationship between CE and firms' performance. The study employed a survey research design, using a sample of top managers and owners of agricultural SMEs. The hypotheses were tested using the structural equation model. The findings revealed that CE has a significant influence on learning orientation, knowledge creation and firms' performance in agricultural SMEs. It was further revealed that knowledge creation and learning orientation mediated the relationships between CE and performance in SMEs operating in the agricultural sector in Iran.

Jancenelle, Storrud- Barnes and Javalgi (2017) investigated the effects of a firm entrepreneurial proclivity on market performance for large, publicly traded US firms. The study drew upon the five-dimensional view of CE (proactiveness, autonomy, innovativeness, competitive aggressiveness, and risk taking) on stock performance. The authors employed a survey research design and the results suggested that CE dimensions of innovativeness, risk-taking and especially autonomy have a positive effect on market performance, while competitive aggressiveness has a negative effect. No effect was found for proactiveness. Lastly, Eze (2018) examined the effect of CE on manufacturing firms' performance in Nigeria, employing five elements of CE: innovation, risk taking, proactiveness, corporate venturing and strategic renewal. The study made use of a survey research design and the findings revealed that CE elements have a combined positive significant effect on manufacturing firms' performance in Nigeria.

The empirical review shows that the studies examining the effect of CE on service firms' non-financial performance in Nigeria are sparse, which further justifies the significance of this study.

3. METHODOLOGY

A survey research design was adopted to ascertain the effect of CE on non-financial performance of service firms in Nigeria, with the focus on how CE elements (innovation, proactiveness, risk taking, strategic renewal and corporate venturing) affect the non-financial performance (measured by market share, employee's satisfaction, efficiency, productivity and workforce development) of service firms in Nigeria. This was done through the use of a questionnaire to collect the primary data from the members of staff of 21 service firms in Nigeria. The target population of the study was the entire list of CAC (corporate affairs commission) registered service firms in Nigeria. The exact population cannot be ascertained as the data on the total number of employees of service firms in Nigeria is not readily available.

Cochran's (1977) sample size determination for infinite or unknown population (n= Z^2 x p x q/C^2) was employed and a sample size of 636 was obtained. Exactly 636 copies of a structured questionnaire were administered to the staff of 21 purposively selected service firms, which included the following service sub-sectors: banking, insurance, stockbrokerage, consulting, education, hospitality, health care, telecommunication, oil and gas, and entertainment sub-sectors. The study employyed a close ended questionnaire to obtain data for the analysis. The study adapted a part of the questionnaires used by Linyiru (2015) to obtain data for innovation, risk taking and proactiveness while the questionnaire for strategic renewal, corporate venturing and non-financial performance was developed by the authors.

The construct validity of the instrument was ascertained by ensuring that the instrument assesses information for the study's objective, and ensures that the same is closely tied to the conceptual framework for this study. The questionnaire was assessed by eight assessors (four academics and four management staff of service firms). They assessed the questions on a two scale (relevant and not relevant), the content validity index formula was employed and a value of 0.943 was obtained, which indicated that the instrument is valid. In order to ensure that the instrument measures what it is designed to measure, the test re-test method was employed to test the consistency or reliability of the instrument. This was done by conducting a pilot study, whereby, the questionnaire was administered twice within an interval of two weeks to 20 management staff of two service firms, and the result of the two tests was correlated, which yielded a composite value of 0.78, which implies that the instrument is reliable.

3.1 Model Specification

The model specified for this study is stated below:

$$PERF = f(INV, PR, RT, SR, CR\ )\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(i)$$

$$\text{PERF}= \beta_0 + \beta_1 INV_i + \beta_2 PR_i\ \beta_3 RTi + \beta_4 SRi\ + \beta_5 CRi + \mu_i\ ------(ii)$$

Where:

PERF represents Performance

β_0 is the constant term

β_1, β_2, β_3, β_4, β_5 are the coefficients of the estimator.

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5 > 0$

PERF= Performance

INV, PR, RT, SR, CV are innovation, proactiveness, risk taking, strategic renewal and corporate venturing respectively.

μ is the error term

The apriori expectation is such that CE elements (innovation, risk taking, proactiveness, strategic renewal and corporate venturing) are expected to positively affect service firms' performance. Hence, the parameters of CE elements (innovation, risk taking, proactiveness, strategic renewal and corporate venturing) should have a positive sign.

The data analysis was guided by the objective and hypotheses of the study as well as the instrument employed for data collection. STATA 12 was employed for the analysis; this was obtained by using ordinary least square to estimate the regression model.

4. Results and Discussion

Information relating to the respondents' organizational background is presented in Table 4.1 while the regression result is presented in Table 4.2

Table 4.1 *Demographic of respondents*

Respondents background	Percentage (%)	Frequency
Years of Service		
Less than 2 years	18%	115
3-5 years	26%	165
Over 5 years	56%	356
Total	100%	636
Company Sub-Sector		
Banking	15%	95
Insurance	7%	45
Stockbrokerage	4%	21
Consulting	11%	70
Education	12%	76
Hospitality	9%	57
Health care	8%	51
Telecommunication	14%	89
Oil and Gas	12%	76
Entertainment	8%	51
Total	100%	636

Source: Authors' fieldwork, 2017

The results indicated that the majority of the respondents have been working with their firms for over five years (56%), thereby suggesting that most of the respondents are experienced. The second part of the table indicated that the respondents cut cover most of the service sub-sectors.

Table 4.2. *Regression Result*

Performance	Coef.	Std. Err. T	P>t
Proactiveness	.0557077	.0165428 3.37	0.001
Risk taking	.1632493	.0110582 14.76	0.000
Innovation	.1185839	.0158714 -7.47	0.000
Strategic renewal	.0281373	.0166147 1.69	0.090
Corporate venturing	.4497637	.015171 29.65	0.000
_cons	.577747	.0996436 15.83	0.000
Prob > F (200.63)	= 0.0000		
R-squared	= 0.5815		
Adj R-squared	=0.5604		

Source: Authors' computation from Stata 12

It is evident from the Table above that innovation, proactiveness, risk taking and corporate venturing have a positive and significant effect on service firms' performance, while strategic renewal has a positive but insignificant effect on the performance of service firms. The results further revealed that CE elements have a combined positive and significant effect on service firms' performance in Nigeria. These results are in tandem with the study of Adele, 2015; Ashivata, 2010; Lekmat & Selvarajah, 2008; Nyanjom, 2007; Goosen *et al.*, 2002 as well as Zahra, 2001, that found that CE elements positively and significantly affect firms' performance. However, the scholars listed above employed financial performance measures.

The adjusted R^2 (adjusted coefficient of determination) suggested that 56 % variation in service firms' performance is accounted for by CE elements (innovation, risk taking, proactiveness, strategic renewal and corporate venturing) while the remaining 42% are accounted for by other factors not captured in the study. The F-value result of 200.63 (0.0000) suggests that all the parameter estimates are significant.

5. CONCLUSION AND RECOMMENDATIONS

The study investigated the effect of CE (as measured by innovation, risk taking, proactiveness, strategic renewal and corporate venturing) on the non-financial performance of service firms. The study purposively selected 21 service firms registered by the CAC. The results suggested that CE elements affect non-financial performance of service firms in Nigeria as measured by market share, employee's satisfaction, efficiency, productivity, workforce development and service quality. The study further revealed that innovation, proactiveness, risk taking and corporate venturing significantly affect non-financial performance of service firms in Nigeria, while strategic renewal does not show a significant effect. Furthermore, corporate venturing has the highest effect on service firms' non-financial performance (coefficient= .4497637, p-value < 0.05), followed by risk taking (coefficient= .1632493 , p-value < 0.05), innovation (coefficient= .1185839, p-value < 0.05) and proactiveness has the fourth highest effect (coefficient= .0557077, p-value < 0.05) while strategic renewal has an insignificant effect on service firms' non-financial performance (p-value= 0.090 which is greater than 0.05). This might be the result of the time lag between strategy formulation and strategy implementation. Furthermore, implementing changes in a firm might not produce immediate results. It is therefore concluded that innovation, proactiveness, risk taking and corporate venturing are the major elements driving service firms' non-financial performance in Nigeria. It is recommended that in employing CE elements to enhance non-financial performance of service firms, managers should focus on innovation, risk taking, corporate venturing and proactiveness. Service firms should introduce new intangible offerings, processes, as well as create new market for their services. Furthermore, they should develop risk tolerance disposition as well as going ahead of competitors and taking advantage of business opportunities by venturing.

5.1 Suggestion for Further Studies

This study is subject to a number of potential limitations and these might be explored in future research. The study adopted a survey research design and employed a structured questionnaire, which might limit the information obtained from respondents. Therefore, further studies can be carried out employing an interview as the instrument of data collection or mixed methods, as they tend to yield more information. In addition, another limitation of this study relates to the level of the coefficient of determination (R^2), which suggests that CE elements account for 58% variation in non-financial performance of service firms. Therefore 42% variation in non-financial performance of service firms is accounted for by other variables different from the five CE elements employed for this study. Thus, other variables can be incorporated for further studies. Furthermore, a combination of financial and non-financial performance measures can be employed for further studies.

REFERENCE

1. Adele, H.A. (2015). Corporate entrepreneurship as prerequisite for corporate financial performance of public liability companies: A study of selected manufacturing firms in Nigeria*. International Journal of Economic Development Research and Investment*. 6(3), pp. 1-18.

2. Agarwal, R. & Helfat, C.E. (2009). Strategic renewal of organizations. *Organization Science.* 20, pp. 281-293.

3. Chakravarthy, B. S. (1984). Strategic self-renewal: A strategic planning framework for today. *Academy of Management Review*. 9(3), pp. 536-547.

4. Clark, N. D. (2010). Innovation Management in SMMEs: Active innovators in New Zealand, *Journal of small business and entrepreneurship*. 23 (4), pp. 601-619

5. Covin, J. G. & Slevin, D.P. (1988). The influence of organizational structure on the utility of an entrepreneurial top management style. *Journal of Management Studies*. 25(1), pp. 217–234.

6. Daryani, M.A., & Karimi, A. (2017). Effect of corporate entrepreneurship on firm performance in Iranian ASMEs: The mediating role of knowledge creation and learning orientation. *Journal of agricultural science and technology*. 19(2), pp. 261-277.

7. Eze, B.U. (2018). Corporate entrepreneurship and manufacturing firms' performance. *Emerging Market Journal.* 8(1), pp. 12-17.

8. Goosen, G., De Coning, T., & Smit. K. (2002). Corporate entrepreneurship and financial performance: The role of management. *South African Journal of Business Management*. 33(4), pp. 21–27.

9. Guth, W.D., & Ginsberg, A. (1990). Guest editors' introduction: corporate entrepreneurship. *Strategic Management Journal.* 11, pp. 5-15.

10. Hitt, M. A.; Ireland, R. D.; Sirmon, D. G., & Trahms, C.A. (2011). Strategic entrepreneurship: Creating value for individuals, organizations, and society. *Academy of Management Perspectives.* 3(1), pp. 46-58.

11. Ibrahim, S., & Lloyd, C. (2011). The association between non-financial performance measures in executive compensation contracts and earnings management. *Journal of Accounting and Public Policy*. 30(3), pp. 256-274.

12. Jancenelle, V.E., Storrud-Barnes, S., & Javalgi, R.G. (2017). Corporate entrepreneurship and market performance: A content analysis of earnings conference calls*. Management Research Review,* 40(3), pp. 352-367.

13. Kahkha, A., Kahrazeh, A., & Aramesh, 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), pp. 61-69.

14. Kaplan, R.S. & Norton, D.P. (1996) Using the Balanced Scorecard as a Strategic Management System, *Harvard Business Review* (January-February), pp. 75-85.

15. Kuratko, D.F., & Audretsch, D.B. (2009). Strategic entrepreneurship: exploring different perspectives of an emerging concept. *Entrepreneurship Theory & Practice*. 33(1), pp. 1–17.

16. Lekmat, L., & Selvarajah, C (2008). Corporate Entrepreneurship and Firm Performance: An Empirical Study in Auto Parts Manufacturing Firms in Thailand.

17. Linyiru, B.M. (2015). *Influence of corporate entrepreneurship on the performance of state corporations in Kenya*. Unpublished Ph.D Thesis. Jomo Kenyatta University of agriculture and technology.

18. Lumpkin, G.T., & Dess, G.G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management review*. 2(1), pp. 135-172.

19. Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management science*, 29(1), pp. 770-791.

20. Miller, D. & Friesen, P. (1982). Innovation in Conservative and Entrepreneurial Firms: Two Models of Strategic Momentum. *Strategic Management Journal*. 3(1), pp. 1-25.

21. National Bureau of Statistics (2016). *Q2 GDP figure*. NBS statistical bulletin

22. Nyanjom, M.D.O. (2007). *Corporate entrepreneurship orientation in Botswana: Pursuing innovating opportunities,* Unpublished MPhil. in Entrepreneurship and Small Business Management Thesis. Pretoria,S. A.: University of Pretoria.

23. Oladimeji, M.S., Abosede, A.J., & Eze, B.U. (2018). Innovation and internationallyzation of Nigeria deposit money banks. *Emerging Market Journal. 8*(1), pp. 1-11.

24. Olughor, R.J. (2014). Corporate entrepreneurship and employee retention strategies in Nigerian telecommunication industry. *European journal of business and social sciences*. 3(2), pp. 09-23.

25. Oyedokun, A.J. (2015). Corporate entrepreneurship and dynamic capabilities in selected pharmaceutical firms in Nigeria. *International Journal of Management*. 6(9), pp. 121-135.

26. Romero-Martínez, A.M, Fernández-Rodríguez, Z., & Vázquez-Inchausti, E. (2010). Exploring corporate entrepreneurship in privatized firms. *Journal of World Business*. 45(1), pp. 2-8.

27. Schendel, D. E., & Hofer, C.W. (1979). *Strategic management: A new view of business policy and planning*. Boston, MA, Litte Brown & Company.

28. Schumpeter, J. (1934). *The theory of economic development*. Cambridge, MA: Harvard University Press.

29. Sharma, P., & J. J. Chrisman (1999). Toward a reconciliation of the definitional issues in the field of corporate entrepreneurship. *Entrepreneurship: Theory & Practice.* 23, pp. 11-27.

30. Terrence, C.S., Titikom, T., & Sang, M. (2010). Corporate entrepreneurship in the face of changing competition: A case analysis of six Thai manufacturing firms. *Journal of Organization Change Management.* 23(4), pp. 453-470.

31. Wang, C.L. (2008). Entrepreneurial orientation, learning orientation, and firm performance, *Entrepreneurship and Theory in Practice*. 32(4), pp. 635-654.

32. Watts, R.L., & Zimmerman, J.L. (1986). *Positive accounting theory.* Englewood Cliffs, NJ: Prentice-Hall.

33. Wiklund J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic management journal*. 24(2), pp. 1307-1314.

34. Wolcot, R.C., & Lippitz, M.J. (2007). The four models of corporate entrepreneur-

ship. *MIT Sloan management review.* 49(1), pp. 221-229.

35. Zahra, S.A. (1995). Corporate entrepreneurship and financial performance: the case of management leveraged buyouts. *Journal of Business Venturing.* 10(3), pp. 225-47.

36. Zahra, S. A., & Garvis, D. M. (2000). International Corporate Entrepreneurship and Firm Performance: The Moderating Effect of International Environment Hostility, *Journal of Business Venturing*. 15(2), pp. 469-492.