College of Business and Economics
Department of Management

EFFECTS OF CORPORATE ENTREPRENEURSHIP ON ORGNIZATIONAL PERFORMANCE IN SMALL AND MEDIUM LEATHER PRODUCT MANUFACTURING ENTERPRISES IN ADDIS KETEMA SUB CITY

A Thesis Submitted to Addis Ababa University College of Business and Economics, Graduate Studies in Partial Fulfillment of the Requirements for the Degree of Master of Science in Management Specialization in Innovation Management and Entrepreneurship

BY

Yemesgen Alemu

Advisor Name: Dr. Jemal Mohamed

JUNE, 2020

ADDIS ABAB, ETHIOPIA

Declaration

I hereby declare that the thesis entitled "The Effects of Corporate Entrepreneurship on Organizational Performance: In small and medium leather product manufacturing enterprises in Addis ketema sub city" is my own original work and has not been submitted for any degree in any other University. It is offered for the award of the degree of Master of Science in Management specialization in Innovation Management and Entrepreneurship from Addis Ababa University.

Name: Yemesgen Alemu

Signature: ____________

Advisor Name: Dr. Jemal Mohamed

Signature: ______________________

Statement of Certification

This is to certify that the thesis prepared by Yemesgen Alemu Zebegna entitled: "The Effects of Corporate Entrepreneurship on Organizational Performance: In small and medium leather product manufacturing enterprises in Addis ketema sub city" and submitted in partial fulfillment of the requirements for the degree of Master of Science in Management Specialization in Innovation Management and Entrepreneurship compiles with the regulations of the university and meets the accepted standards with respect to originality and quality.

Approved by:

Internal Examiner: ________________ Signature ________ Date _______________

External Examiner: ______________ Signature ________ Date _________ _____

Advisor: Dr. Jemal Mohamed Signature _________ Date ______________

Chair of Department or Graduate Program Coordinator

Acknowledgments

First of all l want to thank the Almighty God for his limitless blessing in my life and bringing me to this end through many ups and down .Then I would like to express my sincere appreciation and gratitude goes to my advisor, **Dr. Jemal Mohamed** for his valuable guidance and counsel throughout the whole process of the study

I would also like to thank staff of Addis ketma sub city administration job creation and enterprise development office for supporting in this research work especially Mr. Bawek Mekonen who is Addis ketma sub city administration job creation and enterprise development office team leader for helping me in data collection and giving detail information . Last but not least, I would like to extend my deepest love, respect and appreciation to my families and all my friends for their support, understanding and encouragement.

Table of Contents

List of Tables

List of Figures

List of Acronyms

CE:	corporate entrepreneurship
EO:	Entrepreneurial orientation
SPSS:	Statistical Package for Social Science
SME:	Small and medium enterprise

Abstract

The aim of this study is to examine the effects of five dimensions of corporate entrepreneurship; innovation, risk taking, pro-activeness, competitive aggressiveness and autonomy on organizational performance of small and medium leather and leather product manufacturing enterprises in Addis ketema sub city. The study adopts explanatory research design with quantitative method. The total population of the study is 178 small and medium leather product manufacturing enterprises in Addis ketema sub city which are considered as the population for data collection. Primary data was collected through questionnaire with 5-point Likert scale. The data was analyzed using descriptive statistics, correlation and regression analysis with the support of statistical software program Statistical Package for Social Science (SPSS version 21) for analyses and summarization purposes. The finding of the study correlation and regression result shows that there were positive and significance effect of corporate entrepreneurship dimensions on enterprise performance. Therefore the enterprises should implement all corporate entrepreneur dimensions into their businesses to increase sales growth and profit.

Key words: corporate entrepreneurship, Small and medium enterprises and performance

CHAPTER ONE

1 INTRODUCTION

This chapter presents an overview of the entire study. It includes the background of the study, statement of the problem, objective of the study, research questions, significance of the study, operational definition, and delimitations of the study and limitation of the study.

1.1 Background of the Study

The manufacturing sector has long been considered the main engine of economic growth and structural transformation (Prebisch & Singer, 1950). From the viewpoint of poverty reduction; this is worrisome because industrial development is expected to offer plenty of employment opportunities to the poor. In Ethiopian context, the share of Industrial sector in general and the manufacturing sector is unsatisfactory compare to other sub-Saharan countries. Therefore, manufacturing industry in Ethiopia is projected to increase by an average annual growth rate of 21.9% and the share of the manufacturing industry in overall GDP is projected to increase from less than 5% in 2014/15 to 8% by the end of the plan period (GTP II, 2016).

Leather and leather products industry is one of the most labor-intensive industries, according to CSA, Report on Large and Medium Scale Manufacturing and Electricity Industries survey from 2007 to 2012, in Ethiopia the wider margin of export earning in manufacturing sector is generated from Leather and leather products next to food and beverage.

Following this, corporate entrepreneurship (CE) is crucially important to the survival, profitability and growth of a company. This is due to the fact that CE activities tend to stimulate creativity and innovation as well as to encourage a culture of calculated risk-taking throughout organizational operations which may reinforce the company's position in existing markets by entering new and lucrative growth fields (Zahra, S. A. Filatotchev, I., & Wright, M, 2009). In aggressive environment, corporate entrepreneurship is necessary in ensuring the success of the corporation in the long term. Entrepreneurship is the exercise of constructing well worth by using the usage of special assets that are delivered together through combining quite a number of resources (Kuratko, Covin & Hornsby., 2014).

The well-known belief regarding the corporate entrepreneurship (CE) is that, it is the improvement of new ideas inside massive companies that enable the enterprise to be worthwhile and improve its aggressive position. Corporate entrepreneurship elements involve the activities such as innovation, pro-activeness and risk-taking, competitive aggressiveness (Sharma, 1999) and innovation, pro-activeness and risk-taking, competitive aggressiveness are using by different researcher before autonomy is added as another dimension for corporate entrepreneurship (Lumpkin, 1996).

Researchers and practitioners have been interested in the concept since the early of 1980s because of its profitable effect on firms' performance (San kohrano,Ali bayrakdaroglu & Firat Botana, 2012). Studies were conducted on corporate entrepreneurship and performance especially in the case of developed countries and in some Africa country such as Nigeria and Kenya. (Karacaoglu et al, 2012) their finding shows that original dimensions of corporate entrepreneurship which is include innovation, risk taking and proactiveness has positive relation and interaction with financial performances of the firms but autonomy and competitive aggressiveness variables did not show any relation with financial performances of firms. According to Ergun and Platin,(2017) have examined the impact of corporate entrepreneurship in improving overall efficiency of an organization. The findings revealed that corporate entrepreneurship has resulted in enhancing the sales and profitability ratio of the organization.

Generally, based on the information given above, the purpose of this study is to investigate the effects of the dimensions such as corporate entrepreneurship; autonomy, risk taking, innovation, proactiveness and competitive aggressiveness on organizational performance of small and medium leather product manufacturing enterprises in Addis ketema sub city.

1.2 Statement of the Problem

Ethiopian government has through its agricultural development led an industrialization economic policy where the government has implemented new policies and strategies. From this the manufacturing of leather and leather products is one of the areas which are given priority. However, its overall performance is unsatisfactory due to various internal and external factors which include: poor performance measurement practice, limitation with inputs, poor production planning and control practices, high manufacturing cost Company, (2009); Kassaneh, T. C and Havinal V., (2017) in addition according to my obesrvation ,there are many leather product manufacturing enterprioses in addis ketema sub city,but many of them are unable to compet in the market due to various roblems such as poor quality and lack of innovation So, this study will be important to identify the effects of corporate entrepreneurship on organizational performance and how the corporate entrepreneurship dimensions are implemented and their impacts on the performance of small and medium leather product manufacturing enterprises in Addis ketema sub city .

In dynamic business environment companies tend to seek for new opportunities on the market where they can develop and sustain their competitive advantage through corporate Entrepreneurship Dimensions (risk taking, proactiveness, competitive aggressiveness, innovativeness and autonomy) leads to higher firm financial performance, and, thus, firms tend to be more entrepreneurial in order to improve their position on the market (al, Linyiru et, 2016). Studies have also shown that for companies to remain relevant and productive corporate entrepreneurship is an essential component for organizations (May, 2011). Therefore, this study sought to establish the effect of corporate entrepreneurship in the performance of small and medium leather product manufacturing enterprises in Addis ketema sub city.

Corporate entrepreneurship has been studied by different authors before ((Bulut & Aktan., 2008) Abosed, (2018), (Karacaoglu et al., 2012) , Lwamba,2014) studied on corporate entrepreneurship and financial performance , in addition (Sebora, and Theerapatvong 2009; Ireland *et al* 2009; Zahra and Covin,1995; Lumpkin and Dess1996; Venter *et al* 2008).Studied on empirically to test the influence of corporate entrepreneurship on company performance and sustainability. But this study will consider effects of corporate entrepreneurship on organizational performance in the dimension of financial performance by using annual average sales growth and profitability in the last three years.

Generally, in Ethiopia corporate entrepreneurship is not that much researched, even most of the studies in different countries did not address about the effect of corporate entrepreneurship on performance of leather and leather product. So, in this study five corporate entrepreneurship dimensions were consider to measure the effect of corporate entrepreneurship on organizational performance of small and medium leather product manufacturing enterprises in Addis ketema sub city. Most of research was conducted in the context of Developed countries and some African country such as Nigeria and Kenya the case study for most previous researches were in service industry bank, stock market and IT. So, this study were used to evaluate the effects of corporate entrepreneurship dimensions on organizational performance focus on financial performance in the context of developing country as well as small and medium leather product manufacturing enterprises.

1.3 Research Objectives

1.3.1 General Objective

The general objective of the study is to examine the effect of corporate entrepreneurship on organizational performance of small and medium leather and leather product manufacturing enterprises in Addis ketema sub city.

1.3.2 Specific Objectives

- To explore the effects of innovativeness on organizational performance of small and medium leather and leather product manufacturing enterprises.
- To explore the effects of proactiveness on organizational performance of small and medium leather and leather product manufacturing enterprises.
- To explore the effects of Risk taking on organizational performance of small and medium leather and leather product manufacturing enterprises.
- To explore effects of competitive aggressiveness on organizational performance of small and medium leather and leather product manufacturing enterprises.
- To explore effects of Autonomy on the organizational performance of small and medium leather and leather product manufacturing enterprises.

1.4 Significance of the Study

This study is important for the Management and Shareholders of small and medium leather and leather product manufacturing enterprises to understand how corporate entrepreneurship dimensions are implemented and where the Enterprises can improve its practice of corporate entrepreneurship. Additionally, the research would help academicians and researchers to have a source of reference on the issue of corporate entrepreneurship and organizational performance and finally this study would benefit for firms to improve their degree of proactiveness, risk taking, innovation, competitive aggressiveness and autonomy to be competent in the market.

1.5 Scope of the Study

The scope of this study were delimited to investigate effect of corporate Entrepreneurship on organizational performances of small and medium leather and leather product manufacturing enterprises. The study look at whether the following dimension of entrepreneurship (pro activeness, risk taking, in innovativeness, competitive aggressiveness and Autonomy) influence the organizational performance of small and medium leather and leather product manufacturing enterprises in Addis ketema sub city, in this study descriptive and explanatory research design with Quantitative method were used.

1.6 Limitation of the study

The main limitation of this study is lack of poor access of reference and Empirical research in corporate entrepreneurship area in Ethiopia. The other problem in Addis Ababa city administration there are 10 sub cities where a number of small and medium leather product manufacturing enterprise operating. But due to time and finance constraints the researcher limited in Addis ketema sub city.

1.7 Operational Definitions

Corporate Entrepreneurship:

Corporate Entrepreneurship refers to entrepreneurial activities that occur within an existing organization. It refers not only to the creation of new business ventures, but also to other innovative activities and orientations such as development of new products, services, technologies, administrative techniques, strategies and competitive postures (Burgleman 1983).

Innovativeness:

Innovativeness reflects a firm's tendency to engage in, and support, new ideas, uniqueness, experimentation and creative processes that may result in new products, services, or technological processes (Lumpkin and Dess1996).

Proactiveness:

Proactiveness is a search for opportunity, future perspective including presenting new products or services ahead of the competition and acting with the thought of future need to create alteration and shape the environment (Lumpkin & Dess., 2001).

Risk Taking:

The demonstration or reality of accomplishing something that includes peril or hazard with a specific end goal to accomplish an objective (Ijeoma & Onuoha, 2018)

Competitive Aggressiveness:

Competitive aggressiveness refers to a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the marketplace. And is characterized by responsiveness, which may take the form of head-to-head confrontation, for example, when a firm enters a market that another competitor has identified, or reactive (Lumpkin & dess., 1996)

Autonomy:

Autonomy is the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion. And it is the ability and will to be self-directed in the pursuit of opportunities. In an organizational context, it refers to action taken free of stifling organizational constraints (Lumpkin & dess., 1996)

Organization performance:

Organization performance: the organization ability to attain its goal by using resource in an efficient effective manner (Daft, 2000).And comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives).

Small and medium enterprises

According to the Small & Micro Enterprises Development Strategy of Ethiopia (published 2011) the working definition of MSEs is based on capital and Labor. Micro enterprises in the field of Industry number of labor including owners not greater than 5 total capitals less than Birr 100,000.00. In Service sector number of labor including owners not greater than 5 total capital not greater than Birr 50,000.00. Small enterprises in the field of Industry number of labor 6-30 total capital not greater than Birr 1,500,000.00. In Service sector number of labor 6-30 total capital not greater than Birr 500,000.00. Medium enterprises number of labor greater than 30 total capitals in service sector more than 500,000 .00 in industry sector more than 1,500,000.00.

All enterprises including in this research only small and medium leather product manufacturing enterprises in Addis ketema sub city not including micro enterprises based on the above definition categorize in industry sector their capital more than 100,000.00.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Definition of Corporate Entrepreneurship

Corporate entrepreneurship has been defined by researchers from several perspectives. It was first introduced by Peterson, R. A., & Berger, D. G., (1971)s a strategy and leadership style adopted by large organizations to cope with the increasing level of market turbulence (Sakhdari, 2016). According to Dess et al. (2003); Kuratko et al (2001); Zahra and Covin, (1995); Drucker, (1985) CE has become an important area of entrepreneurship research for the last three decades as a strategic orientation to overcome external adaptation problems firms' face in their research for sustained competitive advantage in the global competition.

Corporate entrepreneurship is difficult to understand before defining the term entrepreneurship. tevenson, H.H., Roberts, M. J., and Grousbeck, D. E., (1989). Describe entrepreneurship as the "process of creating value by bringing together a unique package of resources to exploit an opportunity". This process, according to Morris and Jones (1993), consists of those activities required to identify opportunities, develop a business idea, access and acquire the necessary resources, implement the idea and harvest the resulting business profit.

Corporate entrepreneurship, one of the important sub-fields of entrepreneurship, can also be described as "the processes whereby an individual or a group of individuals, in association with an existing organization, create a new organization or instigate renewal or innovation within that organization" (Sharma & Chrisman, 1999).

Pinchott, 1985; Morris et al., 2011 define that Corporate entrepreneurship (CE) is a term used to describe entrepreneurial behavior inside established small, mid-sized, and large organizations (StopfordandBaden-Fuller,1994). However according to another researchers Corporate entrepreneurship defined as a processes take place within an existing organization without thinking of the size, and these processes do not only refer to creation of new business ventures but also to development of new products, services, technologies, managerial techniques, strategies and also competitive standing as innovative activities. Other popular or related terms include organizational entrepreneurship, intrapreneurship, corporate venturing, and strategic entrepreneurship (Pinchott, 985; Morris et al., 2011).

2.2 Why Corporate Entrepreneurship Is Important for Firms

Corporate Entrepreneurship (CE) has long been recognized as a potentially viable means for promoting and sustaining corporate competitiveness (Covin, J. G. and Miles, J. P., 1999). Turbulence and rapidly changing interest of costumer especially in international lather and lather product manufacturing sector competition has forced companies to become more entrepreneurial in order to capitalize on new model, style and to create value.

Some of the challenges facing in Ethiopia are to develop sustainable economic growth, to improve its international competitiveness and to build the country's capacity for innovation; According to (Venter, A. Rwigema, H. and Urban, B., 2008) mentioned that throughout the world environmental change is accelerating at national, industrial and organizational levels. So this means that, in order for Ethiopia to sustain economic growth, corporate entrepreneurship at organizational and/or industrial level should be encouraged and entrenched. This view implies that organizations that practice entrepreneurship are able to increase their results, which can then lead to an increase in the country Gross Domestic Production (GDP). Increased performance at the industrial level positions the country more competitively in relation to other countries.

Entrepreneurial activities help companies to develop new businesses that create revenue streams and these activities also enhance the company's success by promoting product and process innovation (Zahra et al 1999). According to Miller (1983), these Corporate Entrepreneurship activities embody risk taking, pro-activeness and radical product innovations. These authors have proven that the high level of entrepreneurial behavior within an organization leads to high levels of performance and profitability. Most of these studies had emphasized key elements which needed to be entrenched in entrepreneurial companies in order for them to be classified as entrepreneurial. Entrepreneurial behavior tends to be associated with higher growth and this behavior is a result of innovation, risk taking and pro-activeness (Moreno, A. and Casillas, J. C., 2008).

2.3. Theoretical Framework

2.3.1. Schumpeter Theory

Schumpeter (1934; 1942) pioneered in highlighting the role of innovation in the entrepreneurial process. Schumpeter (1942) depicts a procedure of "creative destruction" where riches creation happens through interruption of existing business sector structures because of presentation of new merchandise as well as administrations that reason assets to move far from existing firms to new ones in this way permitting the development of the new firms. In like manner, Schumpeter calls advancement the particular device of business people, the methods by which business visionaries abuse change as an open door for an alternate business or an alternate administration.

Schumpeter (1942) focused on the part of business visionaries as essential specialists affecting imaginative decimation, and stressed to the business people the need to look deliberately for the wellsprings of development, the progressions and their side effects that show open doors for fruitful advancement; and also, their need to know and to apply the standards of fruitful advancement.

This Schumpeterian vein of reasoning has been conveyed forward by progressive researchers and scientists (Drucker 1985; Lumpkin and Dess, 1996; Shane, Covered and Westhead, 1991). On his part, Drucker (1985) held out the business person continually looking for change, reacting to it, and abusing it as an opportunity, and connecting with by this implies in intentional advancement. Lumpkin and Dess (1996) saw the procedure of inventive obliteration as started by a business visionary, which makes development an essential achievement factor inside entrepreneurial orientation (EO). Moreover, the connection amongst enterprise and creativity is upheld by the aftereffects of Shane, Kolvereid and Westhead (1991), who found that development is among the key intentions to begin a business.

Schumpeterian growth theory assumes that high-tech advance originates from advancements did by firms inspired by the quest for benefit. That is, every development is gone for making some new procedure or product that gives its maker an upper hand over its business rivals; it does as such by rendering old some past advancement; and it is thus bound to be rendered out of date by future developments (Schumpeter, 1934)

(Osaze, E.B., 2003) sees professional action as characterizing one's objectives and future and landing there as arranged; a perspective and the will, to a great extent driven by one's cognizance, to manage a dream, to satisfy a mission, to accomplish a testing objective and to accompliif 11ash a characterize objective; as imagining a future towards which one gadgets the key parameters for affecting and reproducing the earth inside which to work in accordance with that vision; an assurance to exceed expectations in one's own particular picked field; and to seek after and achieve one's own particular objective to a great extent characterized by one. Entrepreneurial genius liveliness can likewise be viewed as readiness of the organization. (M., Kirzner I., 1997) Calls it "flashes of prevalent understanding”. The proactive organization emphasizes around the past, the present and the future with level with energy, utilizing history to clarify and completely comprehend the present and to challenge and make its own proactive future (Osaze, E.B., 2003)

2.3.2. Risk Bearing Theory

The risk bearing theory was developed by the American economist prof. Hawley in his book Enterprise and productive process published in 1907. According to this theory profit is a reward for risk bearing. prof.Hawley justifies his views in the following manner. Some risk are inherent in every business .this is because all business are more or less speculative .thus profit is not reward for differential ability .The essential function of the entrepreneur is the risk taking because he cannot delegate this function of anybody else .he alone has to bear the risk and profit is the reward for this risk taking. As we know every business in modern time involves some risk. Only entrepreneur bears risk. Except entrepreneur all parties which are connected in business activity. They are working with pre-fix contract. Therefore, they don’t have any business risk in this way only entrepreneur bearing the risk without any expectations nobody is willing to bear the risk. The degree of risk varies in different business. According to prof.Hawley there is a positive relationship between risk and profit - higher the risk greater is the possibility of profit and smaller the risk, lower is the possibility of profit in this way profit is a reward for risk taking. On the other hand The risk bearing theory has been criticized on the following grounds. 1) Profit is reward not for risk bearing but it is the reward for avoiding the risk. 2) There is never a straight relation between the extent of risk and the amount of profit 3) There are some risks which can be known as 'INSURABLE' and hence shitted over to the insurance company- the entrepreneur therefore dose not bear that risk. 4) The theory overlooks other factors like monopoly, innovation, unexpected, situation etc. which can create profit.

2.4 Corporate Entrepreneurship Dimensions

These dimensions of CE have been used by different researchers to examine the performance of organization. The most frequently found out and tested with hypotheses dimensions of CE are innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness (Aktan and Bulut, 2008; Lumpkin and Dess, 2001; Sharma and Chrisman, 1999), yet their association with firm's performance have not been sufficiently demonstrated (Dess and Lumpkin, 2005). Consequently, the dimensions of CE were debated along the firm's performance within the following section.

2.4.1 Innovativeness and Organizational Performance of a Firm

Innovation which refers to the firm's ability to create new commodities, introduce new markets, processes, supply of new resources and new organization is the heart of entrepreneurship (Cakar and Erturk 2010; Aktan and Bulut 2008; and Drucker 1985).

(Zahra, S. A. & Garvis, D. M., 2000) define innovation as the firm's ability to create new products and successfully introduce them to the market. Innovation is where organizations adapt or develop innovations which diagnose, observe decrease or prevent environmental problems. While conventionally so many managers and economists considered innovation as an extra burden of the cost for the firm, this is no longer the case now days (J., & Ryan, G.oran,D , 2014)

Research conducted by (Korhan Karacaoglu, Ali Bayrakdaroğlu and Firat Botan San, 2012) an original dimension of corporate entrepreneurship which is compound of innovation, risk taking and proactiveness has positive relation and interaction with financial performances of the firms. According to ((NurAlam La Nafie, Tjare A. Tjambolang and Dian Pane, 2016) Dimension of corporate entrepreneurship such as innovativeness, pro-activeness, and risk taking has positive and significant effect on SMEs performance. Zahra and Garvis (2000) stated that innovation can also lead to the development of key capabilities that can improve a firm's performance. They also put emphasis on the fact that innovation generates products, goods, processes, services and systems that can be used to meet customer needs and build a strong market position. Thus innovation can improve the firm’s profitability and fuel its growth. Better profitability and sustainability are also realized from continuous innovation by the entrepreneurial organization (Nkosi, 2011)

2.4.2 Risk Taking and organizational Performance of Firm

Risk taking is related to the willingness to transfer of more resources to projects where can be high cost of failure (Miller, D. & Friesen, P.H., 1978).It can also be referred as transferring resources to projects where the results are unknown. Corporate risk taking can be conceptualized as the organizational attitude to apply new venture for the aim of corporate profitability and growth by tolerating the estimated probable losses (Bulut, C., & Yilmaz, C, 2008)

Research conducted by (Onuoha, et al. 2018) shows; a critical relationship exists between risk-taking and profitability. According to (Ngoze M. Lwamba, Henry Bwisaand and Maurice Sakwa, 2014)) Risk taking, innovativeness competitive aggressiveness and new hypothesis Strategic Investments have direct effect with financial performance of firms generated from factor analysis.

(Zahra, S. A. & Garvis, D. M., 2000) Characterize chance taking as an organization's mien to help creative tasks, notwithstanding when the result from these exercises is questionable. In this way these exercises can improve the organization's capacity to perceive and manipulate market openings in front of its rivals.

The concept of risk taking is that it is a major feature of entrepreneurship whereby a high-risk taking orientation thus leads to a high organization growth and profitability (Zhou, H. & de Wit, G., (2009) view risk taking as a propensity to take brave actions such as to venture to new markets, and a using a large size of resources to venturing with unclear outcomes and borrowing huge amounts to make business investments

On the other hand, globalization of the competition has been forcing firms to take new positions to stay competitive (Porter, 1980). Successful firms either identify new markets or introduce new services/products to the existing markets or the combinations of two by taking risks to fulfill the market opportunities

2.4.3 Pro-activeness and organizational Performance of a Firm

Proactiveness 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; Narver et al. 2004; Lumpkin and Dess 2001). Proactiveness means a position of predicting and acting on future desires and demands in the marketplace, thereby forming a first-mover advantage against competitors (Lumpkin & dess., 1996).

proactiveness also refers to the satisfying the market opportunities by being the first mover into the market (Bulut & Yılmaz,2008). In a different definition, proactiveness is a search for opportunity, future perspective including presenting new products or services ahead of the competition and acting with the thought of future need to create alteration and shape the environment (Lumpkin & Dess2001).

Studies were conducted by (shamsuddin, othman & shahadin., 2012) The Dimensions of Corporate Entrepreneurship and The Performance of Established Organization in which the findings show that pro-activeness has a positive and significant effect on financial performance of the company, and resource availability, supportive organizational structure and rewards do moderate the relationship between pro-activeness and financial performance**.**

2.4.4 Competitive Aggressiveness and Organizational Performance of Firm

Firms which decide to gain share from those markets, adopt competitive aggressive behaviors by employing marketing strategies such as competing on price, increasing promotion and/or combating for the distribution channels or imitating the competitors' actions and/or products (Dess G. G., Lumpkin, G. T., and Eisner A.B., 2007). By acting aggressive via marketing tools, they force relatively stronger competitors to make entry barriers for the current markets. From the two points of view either new entrants or existing firms the purposes of these bold and aggressive behaviors are initially to remain in competition and then to make profit by fulfilling the opportunities of markets (Bulut & Aktan., 2008).

According to research conducted by (Aktan & Bulut , 2008)Each dimension of EO -innovativeness, risk taking, proactiveness and competitive aggressiveness- have positively correlated with financial performance additionally research conduct by (Ngoze M. Lwamba,Prof.

Henry Bwisa and Dr. Maurice Sakwa, 2013) shows competitive aggressiveness Investments have direct effect with financial performance of firms.

2.4.5 Autonomy and Organizational Performance of Firm

Autonomy provides the flexibility and freedom to the members of the organization to portray and develop the entrepreneurial initiatives (Lumpkin et al., 2009). Although autonomy was suggested as a dimension of corporate entrepreneurship by Dess & Lumpkin, few studies have analyzed it as an independent dimension (Lumpkin & Dess2001).

Autonomy in the context of corporate entrepreneurship or entrepreneurial orientation is necessary to increase the existing strength above the current capabilities of organizations, and it is also important to promote the development of advanced business practices or new initiatives (Korhan Karacaoglu, Ali Bayrakdaroğlu & Firat Botan San, 2013). In fact, some researchers discuss that autonomy is required to reveal the entrepreneurial initiative as a feature based on the organization's entrepreneurial orientation (Antoncic, B., & Hisrich (2004), R. D; Lumpkin, G. T., Cogliser, C. C., & Schneider, D. R.., 2009). (Kovacs, D., Zulauf, K., Ürkmez, T., Brockhaus, D., & Wagner, R., 2016) Develop a relationship between entrepreneurial orientation and organization performance. The results of the study suggested that entrepreneurial orientation has a positive impact in enhancing the operational efficiency of an organization. The entrepreneurial orientation results in increasing the sales of organization.

2.5 Organizational performance

Company growth and profitability are relevant measures of firm performance in the domain of corporate entrepreneurship (Steffens et al 2009). On other hand, they argued that company growth does not always lead to profitability as the relationship between these two variables can be negative or neutral. The company can show an increase in growth, whilst profits are reduced. This could be as a result of various causes including company expansion, purchase of new assets, and increase in sales or operations costs. But in this study organizational performance consider in financial performance in sales growth and profitability without Company expansion, purchase of new assets, and increase in sales or operations costs. Financial performance is the process of measuring the results of a firm's policies and operations in monetary terms. Financial performance has been measured in many dimensions in researches conducted in the field of corporate entrepreneurship. In this context, growth and profitability by Antoncic and Hisrich (2003), employment/sales growth and profitability by Aaboen et al. (2006), sales growth and market share by Luo et al. (2005), total income, cost of goods sold, total number of employees and tangible assets book value by Sueyoshi et al. (2010). Generally in corporate entrepreneurship surveys often growth and profitability dimensions were used (Lumpkin and Dess, 1996; Antoncic and Hisrich, 2003; Rutherfold and Holt, 2004; Ağca and Kandemir, 2008). Similarly, Brinckman et al. (2010) found that profitability and growth were often used as performance dimensions in meta- analysis involving many studies. According to Antoncic and Hisrich (2003), growth is measured by two factors. These are the average annual growth of employment in the last 3 years and the average annual sales growth in the last 3 years. average annual sales growth in the last 3 years is assessed by three factors: Annual average return on sales (ROS), annual average return on assets (ROA) and average annual return on equity (ROE)(Metin Ocak1, Alperen Ozturk2)

The study used financial performance measures to capture the essence of entrepreneurial business performance. The respondents were asking to consider the performance of the organization over a period of three years average annual sales growth and profitability in the last three years.

2.6 Empirical Literature Review

According to (Platin and Ergun, 2017) have examined the impact of corporate entrepreneurship in improving overall efficiency of an organization .The findings revealed that corporate entrepreneurship has resulted in enhancing the sales and profitability ratio of the organization. Hypothesis testing is based on standardized coefficients Beta with 95% confidence level to test whether the hypotheses are rejected or accepted. Correlation analyses have given the information about the relationship of each variables of corporate Entrepreneurship with organizational performance. Based on the multiple regression results of Beta coefficients, all corporate entrepreneurship has positive effect on organizational performance and the value of P were lower than 0.05 that indicates all five Dimensions of corporate entrepreneurship has positive and significance effects on organizational performance.

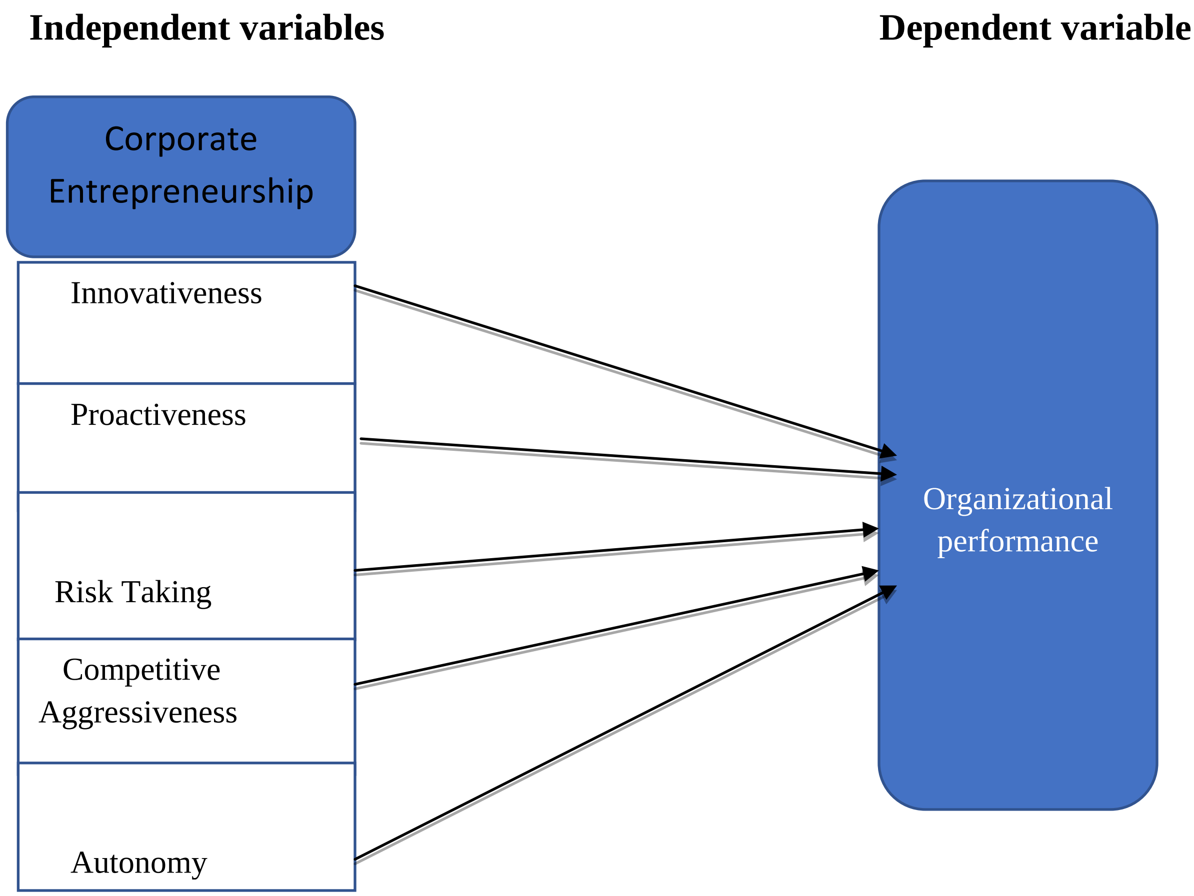
The research which was conducted by (Nafie, Tjambolang nad Pane. , 2016) analyzed the Effect of Corporate Entrepreneurship on Firm Performance (Case Study on SMEs Processing Refined Seaweed Product in South Sulawesi, Indonesia). The purpose of the study is to examine multiple components of corporate entrepreneurship such as risk taking, pro-activeness and innovativeness. The study focuses on analyzing the data of thirty-six small and medium enterprises. Interviews and survey questionnaire were used by the researchers for acquiring data. The findings suggested that Dimension of corporate entrepreneurship such as innovativeness, pro-activeness, and risk taking has positive and significant effect on small and medium enterprises performance.

According to the research conducted by (Dr.Bruno Mugambi Linyiru, et al, 2017) influence of corporate entrepreneurship on performance of state corporations in Kenya the study result indicate that those dimension of corporate entrepreneurship risk taking, pro activeness, innovativeness, competitive aggressiveness and organizational factors by doing increases the efficiency of doing business by creating new products and services, shortening the time to get to market, reducing the costs, decreasing the prices and more efficiently answering on the moves of the competitors and market changes Increase firm performance finally the result concludes that firm performance which was linked to corporate entrepreneurship. The research evidence from Istanbul Stock Exchange Firms conducted by (Karacaoglu et al., 2012) the impact of corporate entrepreneurship on firm's financial performance was revealed by testing the two developed model via structural equation models. The research was carried out by 140 institutionalized manufacturing firms that operate in Istanbul Stock Exchange (ISE) in Turkey as a developing market and it was tried to determine how corporate entrepreneurship affects firms' performance. The data was obtained through a private research company. And also, corporate entrepreneurship scale with a total of 16 items was adapted to Turkish on the research using five dimension of corporate entrepreneurship innovation, risk taking proactiveness, autonomy and competitive aggressiveness. Finally the study concludes that an original dimension of corporate entrepreneurship which is compound of innovation, risk taking and proactiveness has positive relation and interaction with financial performances of the firms. In addition; in the latest development in the related literature, autonomy and competitive aggressiveness variables which was added to the original dimension later on, did not show any relation with financial performances of firms. There are similar studies about impact of corporate entrepreneurship on firms' performance in Turkish literature (Danişman, A., & Erkocaoğlan, E., 2007); (Bulut &

Aktan., 2008); (Altuntaş, G., & Dönmez, D., 2010). However, this research indicates differences from some aspects of the mentioned studies in terms of scope and method. As the scope of this research, corporate entrepreneurship is considered under similar titles as other studies of the literature such as, innovation, risk taking, proactiveness. But most of the research excludes competitive aggressiveness and autonomy dimension which will be analyses in my study.

The above literature also witnesses that corporate entrepreneurial practices within an organization have been seen differently. Particularly in terms of measuring corporate entrepreneurship there have been a great debate in the past literature (Collin and Smith, 2003; Rauch, Wilklund, Lumpkin and Frese, 2009).Most of previous studies used the explanatory or some of the descriptive research design with mixed approach but in my study explanatory design with only quantitative approach were used and the most of previous studies conducted on the effects of corporate entrepreneurship on financial performance and also in this study the effects of corporate entrepreneurship on organizational performance in the dimension of financial performance by using annual average sales growth and profitability in the last three years .Were considered most of previous studies was conducted in Africa and in other advanced nation. But this study was conducted in Ethiopia and in small and medium leather product manufacturing enterprise which is not conducted before.

2.7 Conceptual Framework



Adapted from: Lumpkin and Dess,(1996); Mokaya ,(2012)

CHAPTER THREE

3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with the research methodology parts that explain and justify the approach that is adopted in order to answer the proposed research questions. Research methodology does not only talk about the research methods but it is a way to systematically solve the research problem. And also consider the logic behind the methods the researcher use in the context of the study and explain why the researcher using a particular method or technique and why not using others so that research results are capable of being evaluated either by the researcher himself or by others **.**This chapter covered the research design, population, sampling technique, sample size, instruments, and data analysis.

3.2 Research Design

A research design is a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically**.** In this study the research design contains research philosophy, approach, strategy, method, time horizons and research type and purpose.

3.2.1 Research Paradigm (Philosophy) and Approach

A paradigm refers to the philosophical rationale or justification for the approach to research and the use of specific data collection, sampling and analysis tools (Creswell, 2009). This study employed the post positivist world view it assesses the cause that influences the outcome of the study variables the assumptions to say post positivism is that this study was followed scientific research method to collect the data and the second reason to say the study is post positive, the idea, attitude, perception and values of the researcher were independent throughout the study. The study were quantitative in nature given that the observed data exist in a numerical form (Ghauri Pervez & Grønhaug Kjel, 2010). Due to the nature of this study is post positive philosophy and the method is quantitative, in this research the researcher will employee the deductive research approach. The researcher will use deductive approach for the purpose of Explaining the cause and effect relationship between variables and its dimensions in a quantitative way.

3.2.2 Research Strategy

The study was survey that is usually associated with the deductive approach. The survey strategy provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population which can be analyze quantitatively using descriptive and inferential statistics. Surveys are popular as they allow the collection of a large amount of data from a sizeable population in a highly economical way. Often obtained by using a questionnaire administered to a sample, these data are standardized, allowing easy comparison. In addition, the data collected using a survey strategy can be used to suggest possible reasons for particular relationships between variables and to produce models of these relationships. Using a survey strategy, when sampling is used, it is possible to generate findings that are representative of the whole population at a lower cost than collecting the data for the whole population (Saunders M., Lewis P., and Thornhill A, 2009).

3.2.3 Research Method

A quantitative method of doing research was used because, quantitative research answers questions through a controlled deductive process, allowing for the collection of numerical data, the prediction, the measurement of variables, and the use of statistical procedures to analyze and develop inferences from that data (Dawson, 2009). Quantitative research is, as the term suggests, concerned with the collection and analysis of data in numeric form. It tends to emphasize relatively large-scale and representative sets of data and it consists of those studies in which the data concerned can be analyzed in terms of numbers. Indeed, quantitative methods formulate assumptions within their structure through the process of asking questions or posing hypotheses by incorporating words, such as "cause," "difference between," "effect," and "predicts," which all assist in the general quantitative research’s aim of developing generalizations that allow better predictions, explanations and understanding of specific factors by the researcher (Albaqami, 2016).

3.2.4 Time Horizon

Regarding to the time horizon to collect a data this research uses a cross-sectional data. This cross-sectional data also called the data which collect in a snapshot time horizon. Cross-section studies often employed a survey strategy (Saunders et al., 2009). Since the nature of this study wills a survey, it employs the cross-sectional research approach

3.2.5 Research Type and Purpose

For the purpose of this study, the researcher used explanatory research design. Explanatory or analytical research will enable to examine and explain relationships between variables, in particular cause and-effect relationships (Gill, J. and Johnson, P.G, 2002). Explanatory design will use to assess the effect of corporate entrepreneurship on organizational performance. Since the purpose of this study is to investigate the relationship and effect of the independent variables with dependent variable in which causation will use. Thus, the research formats for this study explanatory design.

3.3 The Target Population of the Study

This study was carried out in Addis ketema sub city which is the only small and medium leather and leather product manufacturing enterprises. The population of small and medium leather and leather product manufacturing enterprises accounted 178 enterprises. Addis ketma sub city is one of out of 10 sub city in Addis Ababa city administration in Addis ketema sub city found 10 woreda including the largest open market in Africa merkato.

3.4 Description of study area

Addis Ketema sub city is the sixth populist sub city with a population of 284, 183 of which 51% female out of 10 sub city in Addis Ababa administration capital city of federal government of Ethiopia. Largest open-air marketplace is found. Addis Ketema sub city where it is located in the northwestern area of the city, not far from its center. It borders with the districts of Gullele Sub City in the north, Arada Sub City in the east, Lideta Sub City in the south and Kolfe Keranio in the west. Addis Ketema sub city is divided in 10 woreda which is the smallest administrative place according to Addis Ababa BOFED 2013 Socio Economic report. Addis Ketema sub city is where this research focused area

3.5 Sampling Elements

Sampling element was the unit of analysis or case in the population. A single member of any given population is referred to as an element. The sampling elements for this study were the small and medium leather product manufacturing enterprises owner, managers /accountants

3.6 Sample size and sampling techniques

The study will try to assess the effect of corporate entrepreneurship on organizational by using information collect from the small and medium leather and leather product manufacturing enterprises owner managers/accountants .Thus, the target populations of the study 178 small and medium leather and leather product manufacturing enterprises operating in Addis ketema sub city. According to (Watson, 2001)If the population is small, usually 200 or less, it may be preferable to do a census of everyone in the population rather than a sample In line with this, the total number of small and medium lather product manufacturing enterprises becomes the sample size for the study.

3.7 Data collection methods and Instruments

The study used primary data collection procedures which was directly collect from current small and medium leather product manufacturing enterprises owner, managers and representative. The questionnaire was completed by providing the researcher with adequate explanation for each enterprise representative. It took about 30 minutes to fill out a question and it took about 15 day to complete the whole question.

The choice of using questionnaires as method of data collection was consider the fact that industries have a very busy working place and owner, managers and representative have a limited time. So, this method is important in order to avoid interfere of working hours.

This study adapted part of the questionnaire used by Shamsuddin1 et al; 2012, (shamsuddin et.al, 2012) (Linyiru et al, 2016) , (Yang., 2007), (Mokaya, 2012), and (Ijeoma & Onuoha, 2018) the alpha value of the measurements in each stud y were more than 0.7. So based on those studies the questioners were valid and appropriate for this study. The questions were mainly close-ended by which the respondents were asked to indicate their level of agreement using a five-point Liker rating scale measurement where: Strongly disagree (SD) = 1, disagree (DA) =2; moderately agree (N)= 3; agree (A) = 4; and strongly agree (SA) = 5

3.8 Method of Data Analysis

Data collects were check for the completeness and consistency edit and then enter in to Statistical Package for Social Science (SPSS) version 21 software for the descriptive analysis, correlation and regression analysis. The descriptive parts of the study used the frequency and percentages for the variables. Following the required explanatory diagnostic tests for data collects, correlation and regression analysis were conduct to assess the effect of corporate entrepreneurship on organizational performance on small and medium leather product manufacturing enterprises. The interpretation of the study was based on the result of the correlation and the regression coefficients. Finally, the required recommendation on corporate entrepreneurship on organizational performance on small and medium leather product manufacturing enterprises were conduct based on the coefficients of the correlation output and the estimated regression results.

3.9 Reliability and validity

The study was used Cronbach’s alpha (a measure of the internal consistency of the questionnaire items) using data from all the respondents. The alpha value for instruments of this research were .849 the value of coefficient alpha ranges from zero (no internal consistency) to one (complete internal consistency) ;(Note that a reliability coefficient of .70 or higher is considered “acceptable" in most social science research situations). The measurement scales for the variables in this study were designed based on a 5-point Likert scale ranging from “strongly agree” to “Strongly disagree”. For a test to be reliable, it also needs to be valid. Validity on the other hand refers to whether an instrument actually measures what it is supposed to measure, given the context in which it is applied (Babbie and Mouton, 1998). For this study the instruments were the most frequently used measures which were developed by prominent scholars, though it was assumed to be valid.

3.10 Ethical Considerations

Participants of the study were informing to participate voluntarily and their privacy and anonymity will keep in secret and will be use for only academic purpose. In the study there should be maintain objectivity, courtesy and no falsification, alteration or misrepresentation of data for other purposes. Moreover, the use of offensive, discriminatory or other unacceptable languages will be avoided in the formulation of questionnaire.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter focuses on the analysis and interpretation of the data collected through questionnaire. Effects of corporate entrepreneurship on organizational performance in small and medium leather product manufacturing enterprises operating in Addis ketema sub city. For the purpose of clear presentation of the finding's tables, charts and brief description were used. The first part of this chapter includes the demographic characteristics of the respondents followed by the descriptive statistics such as frequencies, percentage then the inferential statistics such as correlation, regression result was presented. .As it has been discussed in chapter three all population 178 respondents were taken as a sample and 178 questionnaires were distributed and 175 were returned which indicates 98.3 % response rate. Finally, the result obtained from analysis was compared with empirical evidences to confirm if they are consistent.

4.2 Demographic characteristics of respondents

In this section the profile of 175 respondents who participated in the study were summarized through frequency and percentage. The demographic information of respondent gathered for this study was type of Enterprise, Gender, Age, working experience, educational background of small and medium leather product manufacturing enterprises in Addis ketema sub city

4.2.1 Type of enterprises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Medium	25	14.3	14.3	14.3
	Small	150	85.7	85.7	100.0
	Total	175	100.0	100.0	

Table 4.2.1 **Type of enterprises**

First, when the demographic characteristics of respondents was considered, the result of the study as indicates on the above table 4.2.1 shows that 25 (14.31%) of respondents were medium enterprise where as 150 (85.7%) of them were small enterprises. It indicates that more enterprise participate in this research are small enterprises.

4.2.2 Gender Distribution of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	129	73.7	73.7	73.7
	Female	46	26.3	26.3	100.0
	Total	175	100.0	100.0	

Table 4.2.1 Gender of Respondent

Source: own survey, 2020

First, when the demographic characteristics of respondents was considered, the result of the study as indicates on the above table 4.2.2 shows that 129(73.7%) of respondents were male where as 46 (26.3%) of them were female. It indicates that more respondents or manager /owners or supervisor of the enterprise are male

4.2.3 Age Distribution of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	1	.6	.6	.6
	Between 21-30	65	37.1	37.1	37.7
	Between 31- 40	67	38.3	38.3	76.0
	Between 41- 50	34	19.4	19.4	95.4
	Above	8	4.6	4.6	100.0
	Total	175	100.0	100.0	

Table 4.2.2 Age of respondent

Source: own survey, 2020

As shown in the above table 4.2.3 the result of the study shows that 1 (6%) of respondents were found in the age categories of Below 20 years old followed by 65 (37.1%) of them were found in the age category of 21 to 30 years old respondents. The study was also shows that 67 (38.3%) respondents were found in the age category of 31 to 40 years where as 34(19.4%) of them were found above between 41- 50 years old. And also 8 (4.6 %) of them were above 50.

4.2.4 Educational Level of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	From gread 8- 12	16	9.1	9.1	9.1
	Certificate	35	20.0	20.0	29.1
	Diploma	73	41.7	41.7	70.9
	Degree	47	26.9	26.9	97.7
	Masters and above	4	2.3	2.3	100.0
	Total	175	100.0	100.0	

Table 4.2.3 Education level of respondent

Own survey, 2020

When the educational status of respondents were considered, the result of the study on the table 4.2.4 shows that 16 (9.1%) of respondents were from grad 8- 12 followed by 35 (20 %) of respondents were certificate in academic achievement. The result of the study also shows that 73(41.7%) of respondents were Diploma holders whereas 13(13.8%) of respondents were Degree and also 4(2.3%) masters and above level of in educational achievements.

4.2.5 Work experience of the Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	From 3 - 5	52	29.7	29.7	29.7
	From 5-7	50	28.6	28.6	58.3
	From 7-10	37	21.1	21.1	79.4
	Above 10	36	20.6	20.6	100.0
	Total	175	100.0	100.0	

Table 4.2.4 Respondent Experience

Own survey, 2020

As indicate on table 4.2.5 shows that 52 (29.7%) of respondents were with 3 to 5 years of experience in leather and leather product work experience whereas 50 (28.6 %) of respondents were 5 to 7 years of experience and the remaining 37 (21.1%) and 36 (20.6%) of respondents were respectively from 7 to 10 years and above 10 years leather product work experience.

4.2.6 Position of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Supervisor	5	2.9	2.9	2.9
	Middle manager	59	33.7	33.7	36.6
	Top level manager	111	63.4	63.4	100.0
	Total	175	100.0	100.0	

Table 4.2.5 position of respondent

Own survey, 2020

The result of the study on table 4.2.6 shows that 5(2.9%) of respondents were working in the position of supervisor where as 59(33.7%) of them were working on the position of middle level manager and also the rest 111(63.4%) were working in top level manager accountant in their enterprise.

4.3 Descriptive statistics

Descriptive statistics was used as a way to examine the frequency and percent as well as mean, standard deviation and other information. The common purpose of those techniques is to summarize both variability and spread of the numbers and center of the data. In this study, the descriptive statistics was used as a way to examine effect of Corporate Entrepreneurship on organizational performance of small and medium leather product manufacturing Enterprise.

Table 4.3.1 below contains descriptive data percentage for Corporate Entrepreneurship dimension and organizational performance scales as indicated by the respondents. In addition the overall mean and standard deviation of those variables presented in the table

No	variables	N	Percent					Mean	SD
			Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree		
1	Innovation	175	0.13	6.53	42.15	38.93	12.25	3.6895	.45506
2	proactive	175	0	7.48	44.85	39.08	8..57	3.4874	.34251
3	Risk Taking	175	1.22	19.34	48.74	38.28	3.83	3.3559	.24642
4	Competitive Aggressiveness	175	0.188	11.78	45.92	30	12.22	3.4221	.31786
5	Autonomy	175	0	7.28	43.71	35.1	13.85	3.5557	.33707
6	performance	175	0.09	5.52	43.9	38.09	12.37	3.5714	.28502
Overall average mean								3.5137	

*Valid N (listwise) = 175 Source: own survey, 2020

Table 4.3.1: Percentage Distribution of Corporate Entrepreneurship Dimensions

As indicated from the above Table 4.3.1 the data collected from respondents was analyzed and interpreted using statistical frequency distribution and percentage. Finally, the results of the analysis were presented using tables and the findings were discussed using qualitative narrations. The result shows that among the corporate Entrepreneurship Dimensions majority of the respondents 42.15% were agree with the moderate level of innovativeness. This indicates that the level of innovativeness in small and medium leather product manufacturing Enterprise in Addis ketema sub city were in moderate level.

As shown in the table Respondents were asked the level of Competitive Aggressiveness the result shows that, majority of the respondent 45.92% respondents response show that the level of Competitive Aggressiveness were in moderate level.

Finally, the rest three dimension of corporate entrepreneurship result and dependant variable organizational performance majority of the respondents shows that the level of risk taking ,proactive, Autonomy and organizational performance of the small and medium leather product manufacturing Enterprise in Addis ketema sub city were 48.74%, 44.85%, 43.71%,and 43.9% respectively which indicate that the level of all those Dimensions of Corporate Entrepreneurship were at medium level which require improvement in the future for better organizational performance .

4.4. Correlation analysis

Correlation is the most important systems for bivariate relationships analysis that provide the yardstick where by the intensity or strength of the relationship can be gauged (Bryman & Cramer, 2005). Bivariate analysis was conducted between each independent variable with the dependent variable to assess initial significant predictors (Hair, Black, Babin, & Anderson, 2010; Field, 2009). The two significance levels used in correlation analysis were 0.05 and0.01.Correlation coefficient has both magnitude and direction. As a result, correlation coefficient can take a number with + or – sign. Pearson product moment correlation is one of the commonly used method to calculate a correlation coefficient. This method results in a number between −1 and +1 that expresses how closely the two variables are related, ±1 shows a perfect 1:1 relationship (positive or negative) and 0 indicates that no systematic relationship exists between the two variables .Regarding the magnitude of correlation coefficient which developed by (Davis ,1971) cited by Larry E.miller (1994) the interpretation of strength of correlation coefficient between 0.70 and 0.90 very strong association , between 0.50 and 0.69 strong association, between 0.30 and 0.49 moderate association and between 0.10 and 0.29 is low association

Table 4.4.1 the correlation relationship between Corporate Entrepreneurship Dimensions and Organizational performance

No	Variables	1	2	3	4	5	6
1	Organizational performance	1.000					
2	Innovativeness	.752**	1.000				
3	Proactiveness	.660**	.622**	1.000			
4	Risk Taking	.462**	.301**	.456**	1.000		
5	Competitive Aggressiveness	.683**	.635**	.552**	.436**	1.000	
6	Autonomy	.681**	.594**	.545**	.370**	.663**	1.000

**. Correlation is significant at the 0.01 level (2-tailed).

Source: own survey, 2020

The correlation relationship between Corporate Entrepreneurship Dimensions and Organizational performance was run as seen in the above table 4.4.1 As it is shown in the table above all the Corporate Entrepreneurship Dimensions have a significant positive relationship with Organizational performance.

Innovation and organizational performance of correlation analysis

The results in the above Tables 4.4.1 indicate that, there is positive and very strong relationship between Innovation and organizational performance, Innovation that has a value of .752, ($r = .752$, $p < 0.01$) which is in very strong association and significance value is less than 0.001 this significance tells that there is indisputable relationship between Innovation and organizational performance. This is consistent with the finding by Shamsuddin Othman & shahadin (2012), Wang (2008), Clark (2010), Steffens et al (2009) and Yiu and Lau (2008); found a positive relationship between innovation and company performance. In their study, performance was measured in terms of growth and profitability.

Competitive aggressiveness and organizational performance of correlation analyses

Tables 4.4.1 Also illustrate that competitive aggressiveness next to Innovation has positive and strong relationship with a Pearson correlation coefficient of 0.683 ($r= 0.683$, $p < 0.01$) and significance value is less than 0.001 the results indicate that, there is positive and strong relationship between competitive aggressiveness and organizational performance. This is consistent with research conducted by Shamsuddin, Othman & Shahadin,(2012), Aktan and Bulut (2008),

Autonomy and organizational performance correlation analysis

And also there is a positive strong relationship between Autonomy and organizational performance with a Pearson correlation coefficient of 0. 681 (r= 0. 681, $p < 0.01$) and significance value is less than 0.001. the results indicate that, there is positive and strong relationship between competitive aggressiveness and organizational performance. This is consistent with research conducted by Kovacs et al. (2016) has developed a relationship between entrepreneurial orientation and organizations performance. The results of the study suggested that entrepreneurial orientation has a positive impact in enhancing the operational efficiency of an organization. The entrepreneurial orientation results in increasing the sales of organization

Proactive and organizational performance correlation analysis

Moreover, there is a relationship between Proactive and organizational performance with a Pearson correlation coefficient of ($r = 0.660$, $p < 0.01$) and significance value is less than 0.01 level. This significance tells that there is strong relationship Proactive and organizational performance This is also consistent with research conducted by Thokozani Nkosi (2011), Alpkan et al. (2005), Onuoha, et al. (2018) additional According to Zahra and Garvis (2000), pro-activeness by a firm leads to better company performance and this is in line with the findings from this research study.

Risk taking and organizational performance correlation analysis

Finally, in this research Among the Corporate Entrepreneurship dimensions the one which have the least correlation with Organizational performance was risk taking that has a value of with the Pearson correlation value of 0.462 (0.462, $p < 0.01$) and significance at 0.01 which is in moderate association among corporate entrepreneur dimension. This shows that Risk taking and organizational performance has positive moderate association. This is consistent with the research conduct by Miller 1983;Wiklund 1999; Tang et al (2008) Moreno and Casillas (2008) found that risk taking has a positive association with company performance

4.5. Diagnostics of Assumptions in Regression

Before conducting a regression analysis, five major assumptions for multiple linear regressions were tested: linearity, normality, Multicollinearity, homoscedasticity and autocorrelation. This is a mandatory prerequisite in explaining the relationships between dependent and explanatory variables. Therefore the researcher has checked major least square assumptions and proved that they met reasonably well.

4.5.1. Normality

Multiple regressions assume that variables have normal distributions (Darlington, 1968). This implies that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006). This assumption can be tested by looking at the P-P plot for the model together with histogram of the standardized residuals. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed.

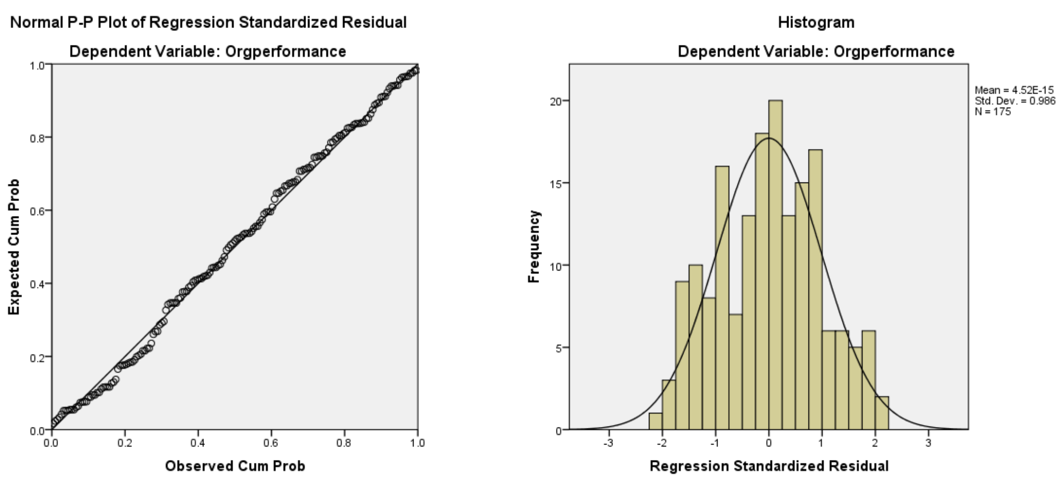


Figure 1 Histogram and P-P plot of standardized residuals

4.5.2. Multicollinearity

Multicollinearity (or Collinearity) is used to describe the situation when a high correlation is detected between two or more predictor variables. Such high correlations cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model. According to (Andy F , 2006), Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model. Multicolinearity poses a problem only for multiple regressions because simple regression requires only one predictor.

The results are in presented in the table 8 of collinearity statistics two values are given. Tolerance and VIF

Tolerance is an indicator of how much of the variability of the specified independent variables is not explained by the other independent variables in the model. If this variable is very small (less than 0.10), indicate the multiple correlation with other variable is high, suggesting the possibility of Multicollinearity. The other value given is the VIF (variance inflation factor), which is just the inverse of the tolerance value (1 divided by tolerance). The multicollinearity statics related the tolerance value greater than 0.1 and VIF value significance below 10. This shows that there was no Multicollinearity problem in the model.

Table 4.5.2 Tolerance and VIF (Variance inflation factor)

Coefficients[a]

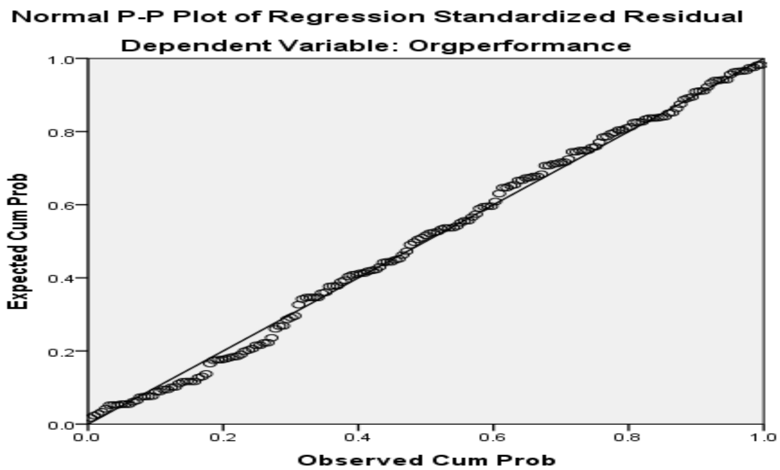
Model		Collinearity Statistics	
		Tolerance	VIF
1	INOVATION	.464	2.156
	PROACTIVE	.507	1.973
	Risktaking	.733	1.364
	ComputativeAgrsiveness	.438	2.285
	Autonomy	.491	2.037

a. Dependent Variable: Organizational performance

4.5.3 Linearity

Linearity defines the dependent variable as a linear function of the predictor (independent) variables (Darlington, 1968). The relationship between the two variables should be linear. This means that when we look at a scatter plot of scores we should see a straight line (roughly), not a curve. The residuals should have a straight line relationship with predicted dependent variables scores (Pallant, 2005). To test the linearity of associations, scatter plot diagram with line of fit can be used to see if the distribution can be represented by linear relationship. Figure 2, the relationships between dependent and independent variables (Performance with dimension of CE) fit reasonably with linear pattern and it holds that linearity assumption is met.

Figure 2 P-P plots of standardized residuals



4.5.4. Autocorrelation

Autocorrelation or independence of errors refers to the assumption that errors are independent of one another, implying that subjects are responding independently (Stevens, (2009). Durbin-Watson statistic can be used to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For this assumption to be met, the DW value needs to be close to 2. Values below 1 and above 3 are problematic and causes for concern. As per table 9 below the value of Durbin Watson is 2.155 therefore the model is free from autocorrelation.

Table 4.5.4 Model Summary[b]

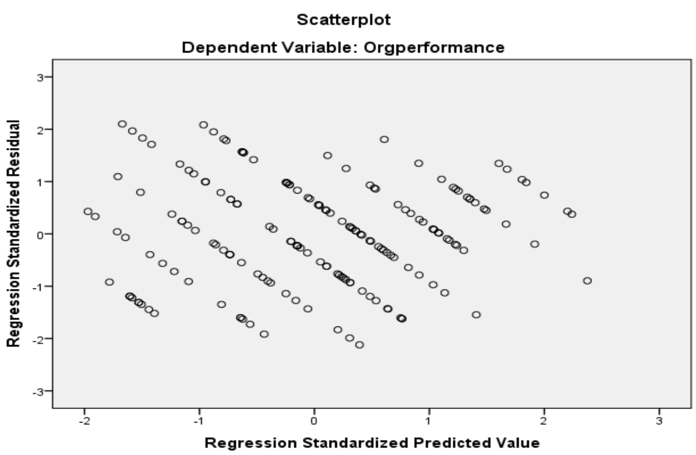
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.841[a]	.707	.698	.15660	2.155

a. Predictors: (Constant), Autonomy, Risk taking, Innovativeness, Proactivness , Competitive Aggressiveness
b. Dependent Variable: Organizational performance

4.5.5. Homoscedasticity

The assumption of homoscedasticity refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). This means that researchers assume that errors are spread out consistently between the variables (Keith, 2006). This is evident when the variance around the regression line is the same for all values of the predictor variable. In figure 3 shows that each of the five dimension of CE against the organizational performance. The plot in the same figure of the annexed plot shows that how the points are randomly and evenly dispersed throughout the plot. And, these patterns are indicatives of a situation in which the assumption of homoscedasticity have been met in whole the five CE variables against organizational performance.

Figure 3 scatter plot diagram



4.6. Regression analysis

Regression is the powerful tool that summarizes the nature of relationship between variables and also helps for making predictions of the likely values of dependent variable (Bryman & Cramer, 2005). In this study multiple regression analysis was employed to examine the effect of Corporate Entrepreneurship dimensions on Organizational performance the results of the regression analysis are presented as follows. Regression used to express the magnitude of variables

Tables 4.6.1 Model Summary of Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841[a]	.707	.698	.15660

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE

b. Predictors: (Constant), AUTONOMY, RISK TAKING, INOVATION, PROACTIVE, COMPUTATIVE AGRASIVENESS

Table's 4.6.1 result predicts the goodness of the regression to fit the model. The multiple correlation coefficient(R), Coefficient of determination(R square), and Standard error were examined. The coefficient of determination(R square) presents how much of the variance in the measure of organizational performance is explained by Corporate Entrepreneurship dimensions (independent variable). The R value represents multiple correlation coefficients between predictor and outcome. In this case the value of multiple correlation coefficients Corporate Entrepreneurship dimensions and organizational performance with 0.841 indicates strong degree of correlation. The R^2 value indicates that how much of the total variation in the dependent variable (outcome) explained by independent variable (predictor) or Corporate Entrepreneurship dimensions can account for 69.8% of the variation in explaining organizational performances.

The model also indicates that, the remaining 29.3 % of the variance can be explained by other variables out of this model and indicates that further research is needed to identify the additional factors that influence organizational performance.

In general, organizational performance was explained by Corporate Entrepreneurship dimensions (Innovativeness, Proactiveness, Risk taking, Competitive Aggressiveness and autonomy) with the R square and Adjusted R Square value respectively 70.7%. And 69.8% The remaining 29.3% or 30.2% of variable that affect will be explained by other variables which are not included in this study.

Tables 4.6.2 ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.991	5	1.998	81.481	.000[b]
	Residual	4.144	169	.025		
	Total	14.135	174			

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE

b. Predictors: (Constant), AUTONOMY, RISK TAKING, INOVATION, PROACTIVE, COMPUTATIVE AGRASIVENESS

The ANOVA Tables 4.6.2 above shows the overall significance/acceptability of the model from a statistical perspective With the P-Value of 0.000 compared to the alpha level of 0.05 it can be concluded that, the independent variables predict the dependent variable and Corporate Entrepreneurship dimensions (Innovativeness, Proactiveness, Risk taking, Competitive Aggressiveness and autonomy) had significantly effect on organizational performance. The model reaches statistical significance Sig=0.000, this means P<0.05. When the model is statistically significant it will have low p value which indicates that there is a significant portion of the variation in the dependent variable by change in independent variables. The value of F illustrates the extent of association of Corporate Entrepreneurship dimensions. Greater the value of F, greater will be the association among variables value and it must be greater than 10 to say a model is fit. Accordingly, in this model F value is found 81.481.

Tables 4.6.3 Coefficients of Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.608	.180		3.383	.001
	INOVATION	.246	.038	.394	6.435	.000
	PROACTIVE	.131	.049	.158	2.696	.008
	RISK TAKING	.147	.056	.127	2.617	.010
	Competitive Aggressiveness	.131	.056	.146	2.325	.021
	AUTONOMY	.184	.050	.217	3.654	.000

a. Dependent Variable: Organizational performance

The value of regression coefficient beta *(β)* is used to show which independent variable is most predictor of the dependent variable. The advantage of *β* is to provide a constant scale, and that the βs are comparable, that the greater the value of standardized regression coefficient the more the independent variable explains the dependent variable (Zikmundet al., 2010).A standard coefficient beta used to determine the strong predictor of organizational performance from independent variables. The Standardized Beta Coefficients give a measure of the contribution of each variable to the model. A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable.

As shows in the above table 4.6.3 the regression standardized coefficients for five independent variables which had the greatest effect on the organizational performance in small and medium leather product manufacturing Enterprises in Addis ketema sub city was innovation with a coefficient β=.394, at 1 percent significance level (β = 0.394, p<.01).The result revealed that, a one unit increase in innovation would lead to a 0.394 unit increase in level of organizational performance with all other variables in the model controlled and strong positive statistically significant influence in explaining or predicting the dependent variable organizational performance. The result of this study is consistent with La Nafie and Pane,(2016) , has conducted a study for examining effect of corporate entrepreneurship On SMEs performance in South Sulawesi – Indonesia the study found that innovativeness has positive and significant effect on SMEs. Additionally Studies by Karacaoglu *et al*.,(2013). Aktan and Bulut (2008),Lekmat and Selvarajah (2008), Antoncic and Scarlet (2008), and Zahra and Covin (1995) which assert that innovation is positively significant and has the strongest effect on firm's performance. In fact, Antoncic and Scarlet (2008) found that innovation was the most important dimension in relation to financial performance. The regression result of this study and consistence pervious literatures were presented based on the objectives of this study.

The other independent variable, Autonomy made a statistically significant positive influence to the dependent variable with Beta value of 0.217 (β = 0.217, p<.01) at 1 percent significant level which was the second strong positive influence in predicting the criterion variable organizational performance. The study was in line with the work of Kovacs et al. (2016) has developed a relationship between entrepreneurial orientation and organizations performance. The results of the study suggested that entrepreneurial orientation has a positive impact in enhancing the operational efficiency of an organization. The entrepreneurial orientation results in increasing the sales of organization

In addition, regarding to the effect of Proactive on organizational performance followed by another predictor variable Autonomy made the third strong and positive effect in predicting the dependent variable, organizational performance with Beta value of 0.158 (β = 0.158, p<.001). The finding of this study was consistence with the result of research conduct by La Nafie and Pane,(2016) The Dimensions of Corporate Entrepreneurship and The Performance of Established Organization in which the findings show that pro-activeness has a positive and significant effect on financial performance of the company. Additionally the study conducted by (Aktan dan Bulut, 2008; Chen dan Cangahuala,(2010); Karacaoglu *et al*., 2013).found that Proactive has a positive significant effect on organizational performance.

Moreover, regarding to the effect of Competitive Aggressiveness on organizational performance is one of the last two independent variables which is strong statistically and positive significant contribution/effect in determining the dependent variable with Beta value of 0.146 (β = 0.146, p<.005) at 5 percent significant level The finding of this study consistence with Shamsuddin, Othman & Shahadin, (2012) the result of research conducted on Exploring the Effect of Corporate Entrepreneurship and Performance of establish organization Competitive Aggressiveness statistically and positive significant affect on organizational Performance of establish organization.

Lastly, the last independent variables of this study effect of risk taking is the least strong statistically positive significant contribution/effect in determining the dependent variable on organization performance. The result show that there is positive and significance effect of risk taking on the performance of the organization with Beta value of 0.127 ((β = 0. 127, p<.005) The result revealed that, a one unit increase in risk taking would lead to a 0.127 unit increase in level of organizational performance and strong positive and statistically significant influence in explaining or predicting the dependent variable organizational performance when the variance explained by all other variables in the model is controlled. The finding of this study was consistence with the result of research conduct by Nafie, Tjambolang nad Pane, (2016) shows that risk-taking is positively and significantly related to firm performance. This finding affirms the assumption mentioned that risk-taking has positive effect on firm performance (Bulut ,Aktan, 2008 & Karacaoglu et .al ,(2013), Onuoha, et al. (2018)

Finally from the above table result and all explanation of each dimension of regressions analysis such model has been developed which is Y= $\boldsymbol{\beta o}$+ $\boldsymbol{\beta 1}$(I)+ $\boldsymbol{\beta 2}(\boldsymbol{P})$+ $\boldsymbol{\beta 3}$(R)+ $\boldsymbol{\beta 4}$(CA)+ $\boldsymbol{\beta 5}$(A)+ $\boldsymbol{\varepsilon}$

Y=Organizational performance I=innovativeness p= proactiveness R= Risk taking CA=Competitive aggressiveness A=Autonomy,

Modified as

Organizational performance = 0.608+ 0.394(I) +0.158(P) + 0.127(R) + 0.146(CA) + 0.217(A)

The result of this regression model shows that an improvement of innovativeness, proactiveness, risk taking, competitive aggressiveness and Autonomy would result in an increase in Organizational performance and also all dimensions of corporate entrepreneurship have positive and significant effect in organizational performance. The result of this study was consistence with the result of La Nafie and Pane,(2016) analyzed the impact of corporate entrepreneurship in enhancing the overall efficiency and performance of the firm. The purpose of the study is to examine multiple components of corporate entrepreneurship such as risk taking, pro-activeness and innovativeness. The study focuses on analyzing the data of thirty-six small and medium enterprises. Interviews and survey questionnaire were used by the researchers for acquiring data. The findings suggested that there is a significant and positive correlation present between performance of small and medium enterprises and corporate entrepreneurship and also it is found that each dimension of corporate entrepreneurship such as innovativeness, pro-activeness, and risk taking has positive and significant effect on SMEs performance. This finding affirms the assumption mentioned that risk-taking has positive effect on firm performance (Aktan and Bulut, 2008; Karacaoglu *et al*., 2013).

This study was also consistent with the study of Ngoze ,Lwamba, Bwisa and Sakwa ,(2014) on Exploring the Effect of Corporate Entrepreneurship on Financial Performance of Firms: Evidence from Kenya's Manufacturing Firms. in their study the regression coefficients for four out of six CE dimensions were statistically significant with competitive aggressiveness recording a highest Beta value (β = .455, p< .001), followed by risk taking (β = .222, p< .001), innovativeness (β = .185, p< .001).

According to Ergun and Platin,(2017) have examined the impact of corporate entrepreneurship in improving overall efficiency of an organization. The findings revealed that corporate entrepreneurship has resulted in enhancing the sales and profitability ratio of the organization. Hypothesis testing is based on standardized coefficients Beta with 95% confidence level to test whether the hypotheses are rejected or accepted. Correlation analyses have given the information about the relationship of each variables of corporate Entrepreneurship with organizational performance. Based on the multiple regression results of Beta coefficients, all corporate entrepreneurship has positive effect on organizational performance and the value of P were lower than 0.05 that indicates all five Dimensions of corporate entrepreneurship has positive and significance effects on organizational performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMNDATION

5.1 Introduction

This chapter provides a summary of the major findings and conclusions of the study. questioner collected from respondent of participant in Addis ketama sub city small and medium leather product manufacturing enterprises. The first section of the chapter begins with a summary of the empirical findings, followed by a conclusion; further recommendations, limitation and future research agenda are drawn and discussed

5.2 Summery

The main objective of this study was to investigate the effects of corporate entrepreneurship dimensions on organizational performance of small and medium leather product manufacturing enterprises in Addis ketama sub city. In this paper, five independent variables of corporate entrepreneurship dimensions (Innovativeness, proactiveness, Risk taking, competitive aggressiveness and Autonomy) have been investigated. To conduct this study, the required data were obtained through questionnaires from representative of enterprises. To check the validity and reliability of the adopted instruments validity and reliability test was carried out and the value of alpha 0.849. The respondents answers each question using a five-point Likert scale questions ranging from strongly Disagree (1) to strongly agree (5) .Total of 178 questionnaires were distributed and 175 was correctly filled and returned. In order to minimize the accuracy problems data collection was conducted under close supervision checked, coded, and analyzed. Returned questionnaires analyzed using statistical package for social science (SPSS) version 21 SPSS. Finally identify the following summery point.

From the analysis of demography information 25 (14.31%) of respondents were medium enterprise where as 150 (85.7%) of them were small enterprises. It indicates that more enterprise participate in this research are small enterprises. In addition 129(73.7%) of respondents were male where as 46 (26.3%) of them were female. It indicates that more respondents or manager /owners or supervisor of the enterprise are male. The study shows 1 (6%) of respondents were found in the age categories of Below 20 years old followed by 65 (37.1%) of them were found in the age category of 21 to 30 years old respondents. This study also shows that 67 (38.3%) respondents were found in the age category of 31 to 40 years where as 34(19.4%) of them were found above between 41- 50 years old. And also 8 (4.6 %) And majority of the respondents age were found between 25-30 and 31-35. From this it is possible to understand that small and medium enterprises workforce were dominated by productive age groups and they will help the country economy to be more efficient in small and medium manufacturing industry. And majority of the respondents work experience from 3 to 5 and 5 to 7 respectively 52(29.7%) and 50 (28.6%) With regard to educational level; most of the respondents were Diploma holder 73(41.7%) and Degree holders comprises 47(26.9%) of enterprise representative. And also respondents indicated that from the total respondents 111 (63.4%) were top level managers/owners at structure of the enterprises, this can helping the researcher to get accurate information about organizational performance.

Based on this research study findings, regarding to descriptive analysis result of corporate entrepreneurship dimension were mostly medium or the level of respondents agreements were moderate in small and medium enterprise except Autonomy higher level. This result shows that need to improvement most of dimension of corporate entrepreneurship dimension.

The results of the correlation analysis result of this study indicated that there was a significance positive and strong relationship between corporate entrepreneurship dimension and organizational performance in small and medium leather manufacturing enterprises.

Regarding regression analysis, the estimated model shows that all five CE dimensions (innovativeness, proactiveness, Risk taking, competitive aggressiveness and autonomy) have positive and significant effect on Organizational performance. And adjusted R^2 was show that organizational performance was explained by Corporate Entrepreneurship dimensions can account for 69.8% of the variation in explaining organizational performances.

5.3 Conclusion

Small and medium Enterprises around the world are facing an uncertain and rapidly changing environment especially in our country from different perspective to be competent in nationally and malty nationally so difficult. From the summery of this research In order to flourish and survive amongst the realities of the fast and modern economy, small and medium enterprises need to be implement corporate entrepreneurship practice. The main objective of this research was to examine the effect of five corporate entrepreneurships dimensions (innovativeness, proactiveness, Risk taking, competitive aggressiveness and autonomy) on Organizational performance in small and medium leather product manufacturing enterprise in Addis ketema sub city. The result of the study revealed that all dimensions of corporate entrepreneurships dimensions that affect the performance of the small and medium leather product manufacturing enterprise with statistically significant effect on the performance of enterprises in both correlation and the regression analysis.

The results of the correlation analysis result of this study shows that there was a significance positive and strong relationship between corporate entrepreneurship dimension and organizational performance in small and medium leather product manufacturing enterprises. And also the regression results indicate that each dimension of corporate entrepreneurship such as innovativeness, proactiveness, Risk taking, competitive aggressiveness and autonomy has positive and significant effect on in small and medium leather product manufacturing enterprises performance. Among out of five dimensions of corporate entrepreneurship variables innovation has high effect with highest beta value this shows that enterprises need to be innovative by means of adopting CE in order to be profitable and increase sale growth.

To be improving the performance the enterprise has to be   more proactive in bringing products or services to the markets in order to be competitive over the other organization run the same business. This forward-looking perspective enables the proactive enterprise to anticipate future demands and become the first to introduce new product or services. In addition for the success of every organization employees are the back bone, to accomplish every activity in the organization so it important to the industry to allow the employees to be free in their work so it is based on implementation of Autonomy in the enterprise. Moreover In this competitive environment it is important to improve the risk-taking Dimension of corporate entrepreneurship by committing high amounts of resources for high-risk. the industry should have to be willing to take risks which are associated with new design, process and technology since it is important to get new customers and to have well-known brands and Competitive aggressiveness dimension of the organization that have the great effect on organization performance so it is important to the enterprise to increase the market share through promotion and advertising.

5.4 Recommendation

Small and medium leather product manufacturing enterprises in Addis ketema sub city implement corporate entrepreneur dimensions into their businesses to increase sales growth and profit. Since the manufacturing sector in leather and leather products higher competition, it may be advantageous for the enterprises first to look at efficient means of being more pro-active, predicting and acting on future desires and demands in the marketplace, thereby forming a first-mover advantage against competitor’s leads to the enterprises to be more profitable. So the enterprises owner / managers must be proactive against competitor to satisfying the market opportunities by being the first mover into the market.

And also the enterprise owner / managers should be innovative with new ideas, experiences, originality and creative processes which are separate issues from current practice and trends related to technologies and via experimentation and research at new products, services and new processes development to be the leader in the market with launch new product and service

In addition to this, Small and medium leather product manufacturing enterprises in Addis ketema sub city advisable to grow risk taking ability, about taking bold action with regard to introducing new products, risk projects and other activities with uncertain returns with the intention of capturing new markets.

Furthermore, Small and medium leather product manufacturing enterprises in Addis ketema sub city owner /managers should be provides the flexibility and freedom to the members of the enterprises to portray and develop the entrepreneurial initiatives. So autonomy is necessary to increase the existing strength above the current capabilities of organizations, and it is also important to promote the development of advanced business practices or new initiatives.

Finally Small and medium leather product manufacturing enterprises in Addis ketema sub city must be aggressively competent using different promotion techniques and marketing strategy. Firm’s propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the marketplace. So it leads to profitability.

5.5 Suggestions for Further Research

The researcher recommends further research on the same topic but in other organizations it will be service industry and large manufacturing industry. This will help to establish whether the same effects will be found when the research is done on different organizations other large manufacturing industry or service organization. This will assist in providing concrete facts upon which reliable conclusions can be made.

Reference

1. ACRN. (2012). Journal of Enterpreunership Persective. *1*, 111-131.

2. Aktan & Bulut . (2008). Financial Performance Impacts of Corporate Entrepreneurship in Emerging Markets: A Case of Turkey. *European Journal of Economics Finance and Administrative Sciences , 71*.

3. al, L. e. (2016). Influence of corporate entrepreneurship on performance of state corporations in Kenya. *Journal of Entrepreneurship and Project Management (JEPM) , 2* (1), 20 - 46.

4. Albaqami, A. (2016). Determinants of Turnover Intention among Faculty Members in Saudi Public Universities. (Doctoral dissertation),.

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

6. Antoncic, B., & Hisrich (2004), R. D; Lumpkin, G. T., Cogliser, C. C., & Schneider, D. R.. (2009). Corporate entrepreneurship contingencies and organizational wealth creation ;Understanding and measuring autonomy: anentrepreneurial orientation perspective. Entrepreneurship Theory and Practice,. *Journal of Management Development , 23* (6), 518-550.

7. Bulut & Aktan. (2008). Financial Performance Impacts of Corporate Entrepreneurship in Emerging Markets: A Case of Turkey. *European Journal of Economics, Finance and Administrative Science , 71*.

8. Bulut, C., & Yilmaz, C. (2008). Innovative performance impacts of corporate entrepreneurship: an emperical reserch.

9. Covin, J. G. and Miles, J. P. (1999). . Corporate Entrepreneurship and the pursuit of competitive advantage. . *Entrepreneurship Theory and Practice , 23* (3), 47-63.

10. Creswell, J. W. (2014). Research design: qualitative, quantitative, and mixed methods approaches, 4th edition .

11. Danişman, A., & Erkocaoğlan, E. (2007). Corporate entrepreneurship and firm performance: a research study on İstanbul stock exchange firms.

12. Dawson, C. (2009). *Introduction to research methods: A practical guide for any one undertaking a research project,*. (4. edition, Ed.) United Kingdom: Books Ltd.

13. Dess G. G., Lumpkin, G. T., and Eisner A.B. (2007). *Strategic Management: Text and Cases, 3rdEd. New York, NY: McGraw-Hill/Irwin.*

14. Gill, J. and Johnson, P.G. (2002). *Research Methods for Managers* (3rd edition ed.). London: Paul Chapman.

15. Ijeoma & Onuoha. (2018). CORPORATE ENTREPRENEURSHIP AND ORGANIZATIONAL PERFORMANCE OF THE BANKING SECTOR IN RIVERS STATE. *International Journal of Advanced Academic Research | Social & Management Sciences | ISSN: 2488-9849,.* , 163.

16. J., & Ryan, G.oran,D . (2014). Eco-Innovation –doesadditional engagement lead to additional rewards? *International Journal of Social Economics* .

17. Karacaoglu et al. (2012). *The Impact of Corporate Entrepreneurship on Firms' Financial Performance: Evidence from Istanbul Stock Exchange Firms. International Business Research; , Vol. 6* (1), 163.

18. Korhan Karacaoglu, Ali Bayrakdaroğlu & Firat Botan San. (2013). The Impact of Corporate Entrepreneurship on Firms' FinancialPerformance: Evidence from Istanbul Stock Exchange Firms. *International Business Research; , Vol. 6* (1).

19. Korhan Karacaoglu, Ali Bayrakdaroğlu and Firat Botan San. (2012, December 10).

20. Kovacs, D., Zulauf, K., Ürkmez, T., Brockhaus, D., & Wagner, R. (2016). Linking entrepreneurial orientation to firm performance in a post-socialist market context: The case of Hungary. Management Dynamics in the Knowledge Economy,. *4* (4), 571.

21. Kuratko, Covin & Hornsby. (2014). Why implementing corporate innovation is so difficult. . *Why implementing corporate innovation is so difficult. , 57* (5), 647-655.

22. Linyiru et al. (2016). Influence of corporate entrepreneurship on performance of state corporations in Kenya. Journal of Entrepreneurship and Project Management (JEPM), ,. *1* (2), pp20 - 46.

23. Lumpkin & dess. (1996). CLARIFYING THE ENTREPRENEURIAL ORIENTATION CONSTRUCT AND LINKING IT TO PERFORMANCE. *Academy of Management Review* (1), 135-149.

24. Lumpkin. (1996). Clarrifying the Entrepreneurial Orientation Construct and Linking it to Performance. . *21* , 135.

25. Lumpkin & Dess. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: the moderating role of environment and industry life cycle. *Journal of Business Venturing, 16, . , 16*, 429-451.

26. M., Kirzner I. (1997). Entrepreneurial discovery and the competitive market process. An Austrian approach.

27. Miller, D. & Friesen, P.H. (1978). Archetypes of strategy formulation. *Management Science , , 24,* , 921–933.

28. Mokaya. (2012). Corporate Entrepreneurship and Organizational Performance. . *International Journal of Arts and Commerce , 1* (4), 133.

29. Mokaya. (2012). corporate enterprenurship and organizational performance theoretical prespective, approch &outcomes. *Intrrnational Jornal of Art and commerce* , 133.

30. Moreno, A. and Casillas, J. C. (2008). Entrepreneurial Orientation and Growth of SMEs: A Casual Model,. Entrepreneurship and Theory in Practice. *32* (3), 507-528.

31. Nafie, Tjambolang nad Pane. . (2016). The Effect of Corporate Entrepreneurship on Firm Performance (Case Study on SMEs Processing Refined Seaweed Product in South Sulawesi, Indonesia). , 8. *European jornal of Business and Economics* .

32. Newing. (2011). Conducting Research in Conservation: Social Science Methods and Practice.

33. Ngoze M. Lwamba, Henry Bwisaand and Maurice Sakwa. (2014). Exploring Innovativeness Dimension of Corporate Entrepreneurship on Financial Performance of Manufacturing Firms in Kenya. *International Journal of Business and Social Science Vol. 4 No. 17 [Special Issue – December 2013] , 4* (17).

34. Ngoze M. Lwamba,Prof. Henry Bwisa and Dr. Maurice Sakwa. (2013). Exploring Innovativeness Dimension of Corporate Entrepreneurship on FinancialPerformance of Manufacturing Firms in Kenya. *International Journal of Business and Social Science , 4* (17).

35. Nkosi, T. (2011). Effect of corporate Enterpreunership on organizational performance in the Information and Comunication technology Industry.

36. ONUOHA, OBALUM AMAKA IJEOMA AND CHIMA. (2018). impact of corporate entrepreneurshipon organizationalperformanceof banks in Rivers State. *International Journal of Advanced Academic Research | Social & Management Sciences , 4* (5).

37. Osaze, E.B. (2003). Corporate Proactive Management..

38. Platin and Ergun. (2017). The Relationship between Entrepreneurial Orientation and Performance. *Business and Management Studies , v 3*.

39. Porter. (1980). Competitive Strategy: Techniques for Analyzing Industries and Competitors.The Free Press.

40. Prebisch, & Singer. (1950).

41. Robson, C. (2002). *Real World Research* (2nd edition ed.). Oxford: Blackwell.

42. San kohrano,Ali bayrakdaroglu & Firat Botana. (2012). Impact of corporate interpreunership on firm financial performance ; Eveidence from istambul stock firm korhan. *scince and educational business research , 6* (1).

43. Saunders M., Lewis P., and Thornhill A. (2009). *Research methods for business students* (5th edition ed.). England: Pearson Education Limited.

44. Schumpeter. (1934). Cambridge, Massachusets.

45. shamsuddin, othman & shahadin. (2012). The Dimensions Of Corporate Entrepreneurship And The Performance Of Established Organization. *1* (2).

46. Sharma. (1999). Entrepreneurship Theory and Practice. *Sharma. (1999). "Toward a Reconciliation of the Definitional Issues in the Field of Corporate Entrepreneurship". Entrepreneurship Theory and Practice, Vol. 23 No. 3,. 11-27. , 23* (3), 11-27.

47. Venter, A. Rwigema, H. and Urban, B. (2008). Entrepreneurship: theory in practice, . (2nd edition ed.).

48. Watson, J. (2001). How to Determine a Sample Size: Tipsheet #60,. *University Park, PA: Penn State Cooperative Extension* , 1-5.

49. WDI, W. D. (2013). Development Data Group. *(2013).World Development Indicators Database, Development Data Group, Washington, D.C.*

50. World Development Indicators. (2013). *(2013).World Development Indicators Database,* .

51. Yang. (2007). Corporate entrepreneurship and market performance. *an empirical study in China* .

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

53. Zahra, S. A. Filatotchev, I., & Wright, M. (2009). How do threshold firms sustain corporate entrepreneurship. *How do threshold firms sustain corporate entrepreneurship? The role of boards and absorptive capacity*. , 248-260.

54. Zhou, H. & de Wit, G. ((2009). Determinants and dimensions of firm growth. [Online]. Available: http://ondernemerschap.panteia.nl/pdf-ez/h200903.pdf .

Appendix 1

College of Business and Economics Department of Management

Dear respondents

Dear Sir/Madam

I am Yemesgen Alemu MSc. Management student in Addis aAbaba university faculty of business and economics Department of Management. I am undertaking a research on the title “Effects of corporate entrepreneurship on organizational performance” for the partial fulfillment of the requirements of the degree of Master of Science in Management. The aim of this questionnaire is to identify the Effects of corporate entrepreneurship on organizational performance in Addis ketema sub city small and medium lather and lather product manufacturing enterprises. You are one of the respondents selected to participate on this study I sincerely assure you that the information you provide will be used only for academic purposes. Your involvement is regarded as a great input to the quality of the research results. Your honest and thoughtful response is valuable.

Please put the tick mark (√) on the appropriate space as per your choice for each closed -ended question. The questionnaire contains closed-ended questions presented in tables are measured on a 5-point scale, and you are required to select one as shown in each table. The 5-point scale questions are meant to measure your perceptions and the extent to which you agree or disagree with the statements in the tables as; Key 5= strongly Agree, 4= Agree, 3=Moderately agree ,2=Disagree ,1=strongly Disagree

Yours faithfully, Yemesgen Alemu

Email: ayemesgen@yahoo.com Phone No: 0911-42 53 74

Part A: Background Information

1. Type of Enterprise

   Medium ☐

   Small ☐

2. Position

   Supervisor ☐

   Middle manager ☐

   Top level m manager ☐

   Others ☐

3. Number of years in the company (Work experience)

   Below 3 ☐

   From 4 - 6 ☐

   From 7 – 10 ☐

   Above 11 ☐

4. Gender:

   Male ☐ Female ☐

5. Education level:

   From gread 8 – 12 complet ☐ Degree ☐

   Certificate ☐ Masters ☐

   Diploma ☐ Doctors ☐

6. Please indicate your age

   A) Below 20 years ☐ B) between 21-30 years ☐ C. Between 31-40 years ☐

   D) Between 41-50 years ☐ E) Above 50 years ☐

Part: B: The effects of corporate entrepreneurship on organizational performance:

The dimensions of corporate entrepreneurship that affect the performance of the organization list below. Please indicate the degree to which these factors are affecting the performance of your business. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (√) under the choices below.

Section 1: Innovativeness

No	Statement	5	4	3	2	1
1	Our Enterprises is creative in its methods of operation					
2	Our Enterprises seeks out new ways to do things					
3	Our Enterprises spends money on product development activities					
4	The Enterprises has strong focus on Research and Development activities					
5	Enterprises is open to outside ideas that can lead to new business opportunity					
6	There is a reward system for creative and innovative individuals					
7	Orientation towards continuous modernization of production methods, service offers, and technology changes					
8	Employees are encouraged to come up with new ideas					

9	Top managers and Supervisors are involved in fostering innovation					

No	Statement	5	4	3	2	1
1	The Enterprises is leading in introducing new technology					
2	The Enterprises is leading in new market identification					
3	The Enterprises always strive to introduce new product or services ahead of competitors					
4	The Enterprises always foresees potential environmental changes and future demands ahead of the competitors					
5	The Enterprises shapes the business environment by introducing new products, new technologies or new administrative techniques					
6	The Enterprises is Active looking for opportunities					
7	The Enterprises Cross-checking the existing status quo					
8	The Enterprises structure supports proactive division through a recognition system					
9	Employees are encouraged to take action on their new ideas					

10	The Enterprises continuously monitors market trends and identifies future needs of customers					

Section 2: Proactiveness

Section3. Risk taking

No	Statement	5	4	3	3	1
1	Relative to our competitors, our Enterprises has higher propensity to take risks					
2	Our Enterprises has shown a great deal of tolerance for high risk projects					
3	The top managers of my firm favor, a bold, aggressive posture in order to maximize the probability of exploiting potential when faced with uncertainty. Most people in this organization are willing to take risks					
4	This Enterprises supports many small and experimental projects realizing that some will undoubtedly fail					
5	The term “risk taker” is considered a positive attribute for people					
6	Employees encouraged to take calculated risks with new ideas					
7	The Enterprises Take risk for opportunity seeking					

8	The Enterprises strives to be the first in the market with new products while the future remains unknown.					

Part 4: competitive Aggressiveness .

No	Statement	5	4	3	2	1
1	my Enterprises is very aggressive and intensely competitive.					
2	Typically adopts a very competitive, ‘undo-the-competitor’ posture					
3	my Enterprises has a strong tendency to increase the market share by reducing the competitors’					
4	Owing to the nature of the environment, bold, wide ranging acts are necessary to achieve the firm’s objectives					
5	The Enterprises stimulates new demand on existing products in the current market through aggressive advertisement					
6	The Enterprises takes bold and wide-ranging acts (e.g. sales, promotion, competitive prices and distributive channels) to market products					
7	Our Enterprises has a strong tendency to increase the market share by reducing competitors through competitive marketing strategies					
8	Our Enterprises spends substantial amount of financial resources in sales promotion					

9	Our Enterprises actively searches for significant opportunities to improve market share					

Part 5: Autonomy

Here are some questions aims at evaluating the effect of Autonomy on organizational performance. Please indicate your agreement with the following statements using the following Likert scale.

No	Statement	5	4	3	2	1
1	Your Enterprises give enough autonomy for employees in their job without continual supervision to do their work					
2	Your Enterprises allow them for employees to be creative and try different methods to do their job					
3	Employees in our company are allowed to make decisions without going through elaborate justification and approval procedures					
4	Employees in our company are encouraged to manage their own work and have flexibility to resolve problems.					
5	I seldom have to follow the same work methods or steps while performing my major tasks from day to day.					

Part 6: Organizational performance

No	Statement	5	4	3	2	1
1	Our Enterprises profitability has increased over the last 3 years					
2	The number of employees hired in this Enterprises is increasing					
3	Our Enterprises has experienced an increase in total revenue collected over 3 years					
4	Taking unmanageable risk has maximized Our Enterprises profit					
5	Taking diverse moves to initiate new projects in Our Enterprises improve our profit over time					
6	Market share and reputability of the Enterprises in the international level increase					