

# **Challenges Faced by Public Sector Institutions in Adopting Entrepreneurial Skills - A Case Study of the Postal Corporation of Kenya**

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## **1.0 Abstract**

Cutting down on the services or charging more taxes from citizens are regarded as traditional solutions to the increased constraints of resources in the public sector. Ensuring a more responsive delivery of service, public managers are expected to get more results with fewer resources. This paper argues that entrepreneurship in delivery of service remains a potential avenue as an alternative option to resolve inadequate government performance. This study highlights the utility of public entrepreneurship in improving the delivery of public service. The main objectives of this study are twofold: to find out the key factors of entrepreneurship in the delivery of service in the public sector organizations and to propose policy measures for managerial and administrative reforms in improving entrepreneurial behavior in the public service.

The design of this study was both descriptive and quantitative and employed case study. The sample size of 100, randomly selected covered members of the Board PCK, the management PCK, the public sector contracting secretariat, and employees of the PCK. Stratified random sampling was used for this study. A convenient and manageable sample size of 100 was identified for the study. The study was based on data gathered from a random sample consisting of thirty six (36) officials in the Postal Corporation of Kenya (PCK) a public sector organization. Officers at the managerial level were selected from postal corporation centers in Nairobi and other field centers in Kenya. The research utilized a structured questionnaire using Likert scales. Secondary data collection was deployed in collecting data. This method was used to get the background and statistics of what has been happening in PCK in regard to the variables under study.

The study found out that PCK had made efforts to improve on the work methods developed by workers. Work methods that originate from the workers would improve work performance because they would be wholly embraced. The efforts made by the workers to implement new ideas of innovation were not accepted. The management is aware of and very receptive to ideas and suggestions from workers. The study shows that there is a hindrance in that information is not communicated effectively to the relevant stakeholders. This may significantly affect the impact of the Corporation's effort towards adopting entrepreneurial skills.

For an idea to be put into practice, finance is a major player. Lack of finance would mean that the idea is not implemented. As per the study the majority of the staff agree that finance is availed for the innovative projects, but the higher percentage of those who disagree weakens PCK willingness to adopt new ideas, hence low adoption of entrepreneurial skills. Recognition of individual risk takers for their willingness to champion new projects is not recognised by the organization. Whether the new projects are successful or not, the employees are not taken seriously. Innovation at PCK is insignificant and as such adoption of entrepreneurial skills at the corporation is low.

The study made the following recommendations; For the growth of the organization it is proper that practical communication channels are established. Finance is important for adoption of entrepreneurial skills. There needs to be finance to implement innovation. The organization should set aside enough funds for this. This would help enhance communication in the organization for the smooth flow of ideas, expected work performance and motivation to the employees. Appraisals would be done and results provided with relevant rewards or reprimand if need be. The organization should also try to restructure. New ideas and new work methods are important for it to remain relevant. It is important for it to make use of its unique feature. Liaison with other Postal Corporations in the world in order to know how they have embraced the advancement in technology would be an advantage. For employees to be able to perform their duties well, they are supposed to be trained in the specific areas. The organization should distribute duties as per the areas of expertise. Proper training procedures should be adapted so that the employees are kept abreast with the changes in the competitive entrepreneurial world.

### **1.1 Background**

The virtues of traditional ideas about government have been challenged as significant changes have emerged in economic, societal, demographic, and cultural movements. The need to be more competitive in a turbulent environment demands changes in the role of government, and the public sector has created innovative ways of structuring and managing government arrangements as a consequence of administrative reform activities. Understanding the success of entrepreneurial firms is important because it is these firms that drive economic growth and job creation (Haltiwanger, Jarmin, & Miranda, 2010).

During the past twenty years, in response to economic, institutional and ideological changes, as well as criticisms of inefficient and costly public sectors, public sector reform has become an

international phenomenon (Bennington & Cummane 2000; Hughes 1998). As part of these reforms, a paradigm of public sector management known as new public management (NPM) has emerged in Organizations for Economic Co-operation and Development (OECD) countries and elsewhere (Hughes 1998; Osborne & Gaebler 1993; Pollitt 2004). This approach to public sector management is characterized by a preference for minimal government interference in service provision and the concomitant espousal of market philosophy beliefs, together with an inherent assumption that the private sector is more efficient than the public sector (Beckett 2000; Jaconelli & Sheffield 2000).

Many developing countries are currently transitioning away from more centralized economic structures and implementing institutional changes to encourage successful entrepreneurship (Hoskisson, 2004). Indeed, prior literature on institutions finds that the institutional context affects the founding rate of entrepreneurial firms (Aldrich and Fiol, 1994; Sine, Haveman and Tolbert, 2010). Eesley (2010) shows that with institutional changes there can be shifts in the type of the organization embracing entrepreneurial behavior. But do the paths and strategies leading to success in entrepreneurship change as well? Although institutional research has not examined the implications of institutional change for entrepreneurial performance, this related work is encouraging. While there is growing consensus that institutional shifts are important (Scott, 2008) and affect entrepreneurship (Aldrich and Fiol, 1994; Sine, Haveman and Tolbert, 2010), relationship between institutional change and entrepreneurial firm performance is still unclear (Tolbert, Haveman, & Sine, 2010).

Recent administrative reforms under the umbrella term reinvention such as the Government Performance Contracting, Rapid Results Initiative and the New Public Management movement have been introduced and implemented to improve government performance. With the goal of performing government tasks effectively, a number of market based approaches have been introduced into the public sector, such as privatization, Public-private partnerships, outsourcing, and entrepreneurship. Because public management is a multidimensional concept (Walker & Boyne, 2006), introducing an entrepreneurial framework will provide important insights into government's reform strategies.

The form of entrepreneurial government is introduced as a means to market-oriented practices for better services (Borins, 1998b; Boyett, 1996; Drucker, 1985; Osborne & Gaebler, 1992). Just as the factors that lead individuals to entrepreneurship differ across contexts (Eesley, 2010), the drivers of entrepreneurial performance may change with institutional shifts. The adoption of some beneficial entrepreneurial practices into the public sector could be a sound approach for satisfying citizens' needs for more efficient, more responsive, and lower cost government. This was indeed the idea behind the Initial Public Offers (IPOs) that began 2005 in Kenya.

Despite the enthusiasm and widespread belief in the applicability of entrepreneurial practices to the public sector, there are still ongoing debates about their suitability to public organizations in terms of core values of the public sector (Cohen & Eimicke, 2000), such as democratic theory (Terry, 1998), accountability (Roberts & King, 1996), structural and legal restrictions on managerial behaviors (Goodsell, 1993). The main point behind public entrepreneurship is not to make the government more businesslike or market savvy. Rather,

the idea of public entrepreneurship is to increase opportunities to take challengeable ideas and find ways to offer more public choices and benefits, providing high-quality services to citizens.

The managerial aspect of public entrepreneurship should be able to promote entrepreneurial hands-on managerial processes and behaviors (Cornwall & Perlman, 1990), given that managerial characteristics should focus on factors that influence employees' empowerment and managerial behaviors for cultivating entrepreneurial management. Autonomy and participatory decision making directly affect employees' empowerment. On the other hand, performance-based rewards and specialization influence personal and organizational behaviors and attitudes for adopting entrepreneurial actions.

Unlike privatization or contracting out, which reduces public sector involvement and responsibility as a significant service provider (Morris & Jones, 1999), market-based practices like public entrepreneurship "provide a great many advantages and have important roles to play in public policy and management" (Bozeman, 2007,). Thus, adopting entrepreneurial practices, such as searching for innovative opportunities and providing the ability to be proactive, can improve in-house capacities for contributing to the public values of sustainability and productivity (Bozeman, 2007) and could be the best way to resolve recurrent perceptions of less efficient services (Llewellyn & Jones, 2003).

Furthermore, implementing entrepreneurial approaches is not contradictory to long-established views of the public management's role in providing services, being responsible to citizens, and supporting public values using applicable market practices for efficiency and effectiveness. An attempt to establish an appropriate balance between entrepreneurial management and organizational structures is needed because the public sector lacks built-in systems for stimulating entrepreneurial arrangements.

### **1.1.1 Profile of the Postal Corporation of Kenya (PCK)**

The Postal Corporation of Kenya (PCK) is a Commercial Government business Enterprise operating under Postal Corporation of Kenya Act, 1998. The Corporation is headed by the Postmaster General under the Board of Directors who are appointed by the Government, the sole shareholder. The board under the leadership of the Chairman also appointed by the government strategically guides the Corporation. PCK started its operations on 1st July 1999 when the defunct Kenya Posts and Telecommunications Corporation (KPTC) was dissolved.

The Corporation was established for the purpose of providing accessible, affordable and reliable postal services to all Kenyans wherever they reside. It operates a vast network of 769 post offices and partners with more than 5000 stamp vendor licensees across the country to accomplish its purpose. (IBM, 2010)

According to IBM (2011), the Postal business around the world has changed due to new technology and increasing competition. Yet these same challenges present opportunities in the form of diversification of the business into new offerings such as financial services. PCK recognised these opportunities, but faces several challenges in advancing their agenda; older perception in the marketplace, IT limitations and organizational structure being some key

factors. The competitors in Kenya have taken full advantage of the opportunities – from banks expanding services to organizations moving into the parcel business.

The Postal Corporation of Kenya (PCK) is regulated by the Communications Commission of Kenya (CCK). According to the Kenya Communications Act of 1998, CCK is mandated to license and regulate postal and courier services throughout the country. CCK grants licenses to operators, regulates the tariffs and fees for basic services, and maintains the overall order of the postal and courier market. PCK is the official universal service provider for Kenya and must provide the "consistent supply of basic quality postal services. The current services provided by PCK include delivery of letters, parcels, expedited mail services (EMS), money orders, third-party payments and agency services, electronic funds transfer (EFT), governmental salary and pension services. PCK employed approximately 4,000 postal workers in 2009 through 500 departmental offices and 200 sub post offices.

While private letter boxes continued to play an important role in the delivery of services, PCK derives a significant portion of its revenue from processing utility bill payments for public and private suppliers, such as the Kenya Power & Lighting Company. Profitable services for electronic money transfers are a major source of income for the Kenyan economy, however, PCK's share of the EFT market has dwindled as a result of competition from Western Union, MoneyGram, and mobile-phone company Safaricom's M-Pesa service.

In addition to declining traditional mail services, parcel competition has arose, including unlicensed carriers such as the matatu, buses and the rapid growth of anytime mobile phone money transfers through Safaricom, PCK must leverage its reputation as a trusted provider of services with over 700 outlets, while maintaining existing and creating new partnerships to provide value added offerings required by the citizens of Kenya. Furthermore, as profitable niches continue to attract fierce competition, PCK must constantly reach out to their customers and employees to be pro-active in addressing current market trends rather than reacting to lost business.

This research seeks to fill the gap between conceptual arguments about public entrepreneurship and the empirical realities of entrepreneurial practices by using large-scale survey data that was specifically designed for assessing public entrepreneurship. Accordingly, after discussing the concept of public sector entrepreneurship defined in terms of risk taking, innovative, and proactive dimensions, this study examines the relationships between the organizational characteristics and public entrepreneurship.

## **2.0 Literature Review**

## **2.1 Theoretical Review**

### **2.1.1 Joseph Schumpeter's Innovation Theory**

Joseph Schumpeter's innovation theory of entrepreneurship (1949) holds an entrepreneur as one having three major characteristics: innovation, foresight, and creativity. Entrepreneurship takes place when the entrepreneur creates a new product, introduces a new way to make a product, discovers a new market for a product, finds a new source of raw material, finds a new way of making things or organizations.

Recent theories have been suggesting the need to encourage high ability entrepreneurs, as reduced quality of entrepreneurs is argued to retard growth (Jiang et al. 2010; Jaimovich 2010). These new results stress the need to provide the right incentives to the most able entrepreneurs, in order to promote productive and growth-enhancing entrepreneurship, and avoid unproductive or even destructive entrepreneurial activities, in line with Baumol (2004). Other economists have added a dimension to imitating and adapting to innovation. This entails successful imitation by adapting a product to a niche in a better way than the original product innovators innovation.

### **2.1.2 Peter Drucker's Theory of Entrepreneurship**

Peter Drucker holds innovation, resources, and an entrepreneurial behavior as the keys to entrepreneurship. According to him entrepreneurship involves increase in value or satisfaction to the customer from the resource, creation of new values and combination of existing materials or resources in a new productive combination. The entrepreneur, according to Drucker (1964) "Innovation and Entrepreneurship", Harper Business, "always searches for change, responds to it, and exploits it as an opportunity." An entrepreneur acknowledges change as normal and welcomes it. An entrepreneur "shifts economic resources out of an area of lower and into an area of higher productivity and greater yield." Innovation, which is the "specific function of entrepreneurship" according to Drucker (1964), "is the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth." driven by the power of their will to episodically introduce innovative resource combinations in order to exploit widely known opportunities created by scientists' inventions (Foss & Klein, 2005).

Drucker's premise is that these attitudes and skills can be cultivated and that the search for innovation can be systematized and managed. Entrepreneurial attention is focused on customer values. This is an especially important point for PCK since customers tend to associate innovation with the technical features of our products. Without devaluing the importance of its advances in areas such as communications systems design, and continuous service architecture, PCK must recognize that its opportunities for creating new value for its customers extend far technical features of hardware and software products. The process, the "business system," by which it creates and delivers products and services to its customers starts with technology, but then relies on the design, manufacturing, marketing, sales, distribution, and service skills of thousands of people. At every stage, innovation is possible and, in many cases, "non-technical" innovation can provide the key to success in the marketplace.



## 2.3 Conceptual Framework

In agreement with Robinson, Miles and Huberman (1994) defined a conceptual framework as a visual or written product, one that explains, either graphically or in narrative form, the main things to be studied, the key factors, concepts or variables and the presumed relationships among them.

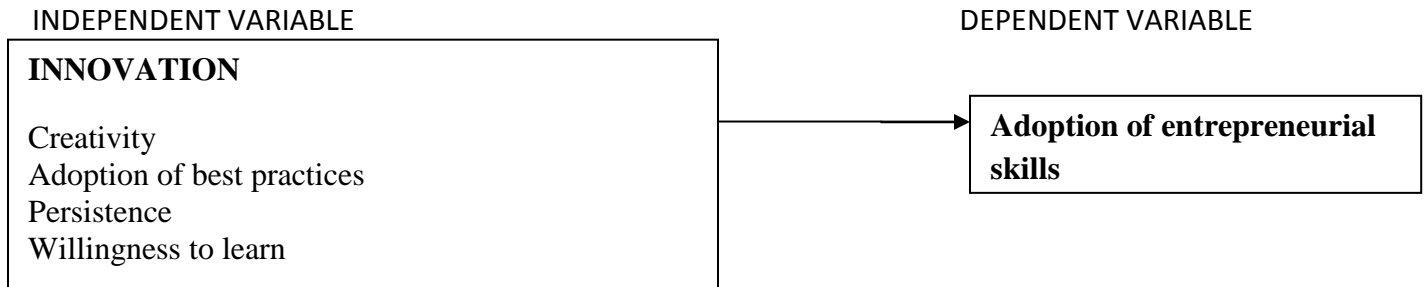


Figure 2.1: Conceptual framework

## 2.4. Empirical Review

### 2.4.2 Innovation in the Public Sect

Public sector entrepreneurial essentially implies fundamental changes to the power relationships between the key players in the system of government and requires considerable attitudinal changes on the part of bureaucrats (Arellano-Gault 2000). It entails emphasizing the role of public managers in providing high-quality services that citizens value, advocating managerial autonomy, particularly by reducing central agency controls, demanding, measuring and rewarding both organisational and individual performance, recognising the importance of providing the human and technological resources that managers need to meet their performance targets, and maintaining receptiveness to competition and open-mindedness about which public purposes should be performed by public servants as opposed to the private sector (Borins & Warrington 1996).

Despite some differing views on the exact constituents of public sector entrepreneurial, market mechanisms have been introduced into the provision of public goods and services, leading to the downsizing and/or privatisation of public sector organizations. For instance, the PCK, faced with decreasing mail volumes and an increased need for sustainability, given its changed status from public administration to state-owned corporation, has had to diversify its service offering, in particular by providing instant domestic remittances and becoming a cash merchant for third parties. With regard to the cash merchant model, the Post has become an agent for a wide variety of actors, ranging from financial service providers to utility companies and mobile money operators. As such, it offers cash-in/cash-out services on behalf of 320 partners to clients in 380 online branches (out of a total of 740 branches) nationwide, thus helping to further increase the penetration of formal financial services (Berthaud 2012).

Drucker (2007) defines entrepreneurship as perceptiveness to change and the entrepreneur as one who always searches for change, responds to it, and exploits it as an opportunity. For Drucker, an entrepreneur is innovative and sees changes to his work. Entrepreneurial behavior, however, should not be limited to only the private sector as public organizations operate with limited resources, and need to find creative solutions to continue the provision of service in order to respond to the increased demands of its citizens.

Osborne and Gaebler (2007) identify an entrepreneur as one who uses resources in new ways to maximize productivity and effectiveness. In this view, entrepreneurs are those leaders who lead to success in their organizations. Public resources and their associated property rights must be defined, understood and managed effectively for innovation to occur (Raymond, 2003). Entrepreneurship disturbs existing patterns of resource allocation through bold, creative action. Innovation, both technological and organizational is required but is difficult to accomplish because of conflict between short-run and long-term performance. To provide these non transferable services effectively, public organizations need to develop new service strategies and be more innovative in responding to social, technological, economic, and demographic shifts as opportunities during rapid changes (Moon & deLeon, 2001).

Although innovation has generally been defined as the development and/or the use of new ideas or behaviors resulting in a new outcome for an organization (Damanpour & Schneider, 2009; Walker, 2008), innovation in the public sector may not necessarily be associated with invention or creation of new services and new managerial processes. Thus, innovation in the public sector may range from the development of new services and programs to the improvement of managerial processes and institutional tasks through re-conceptualizing existing resources (Morris & Kuratko, 2002).

## **2.5 Critique of the Existing Literature**

All definitions of innovation given by Schumpeter, whether related to new combinations or production function are rather broad and vague reflecting his struggle to understand the complexities of technological development. Baumol (1968) was convinced that economic “theory fails to provide a rigorous analysis of the behavior of the entrepreneur”. He stated that in “neoclassical models” the theoretical firm is entrepreneurless. The entrepreneur had “virtually disappeared” from mainstream economics, as his presence was inconsistent with the conditions satisfied in the equilibrium state

Entrepreneurship, like other inputs, is a deployable scarce resource (Endres and Woods 2006). This has led to the never escaping fact that not all public organizations could have managers who are entrepreneurial in nature. The ‘leader’ of the organization has got to be entrepreneurial for the public sector to be able to adopt the entrepreneurial skills. Risk taking and innovativeness, need for achievement, and tolerance for ambiguity had positive and significant influence on entrepreneurial inclination Mohar, Singh and Kishore (2007). Thus it is not clear whether the public sector setting has not been given enough space to practice these. The public sector has got to work under some restrictions which according to the research done hampers its performance in the adoption of entrepreneurial skills.



#### 4.0 DATA ANALYSIS, INTERPRETATION AND PRESENTATION

##### 4.1 Effects of Innovation on Adoption of Entrepreneurial Skills

In order to determine the effect of innovation on adoption of entrepreneurial skills, the study identified the following as the proxy indicators for innovation:

##### 4.1.1 Organizations Readiness to Use Improved Work Methods Developed by Workers

It can be observed from figure 4.1 that out of the 36 respondents, 11(30.6%) disagreed, while 9(30.6%) agreed that the PCK was quick to use improved work methods by the workers. The findings indicate that the Corporation had made efforts as represented by the 25% mark to embrace use of improved work methods developed by workers hence supporting innovation. However, the efforts are still below par and may not be properly communicated to the organizations stakeholders hence the reason for 35% not being sure what the organization had achieved.

Thus with a relatively weak innovative disposition, the organization is likely to be slow in adopting entrepreneurial skills. Research shows that some persons are more able to recognise and exploit opportunities than others because they have better access to information and knowledge (Shane & Venkataraman, 2000). Entrepreneurship is a process of becoming not a static phenomenon. The change involved usually takes place in quantum jumps being a holistic process in which existing stability disappears (Bygrove, 1989). Therefore management awareness and receptiveness to ideas and suggestions from workers accelerates the process of adoption of entrepreneurial skills.

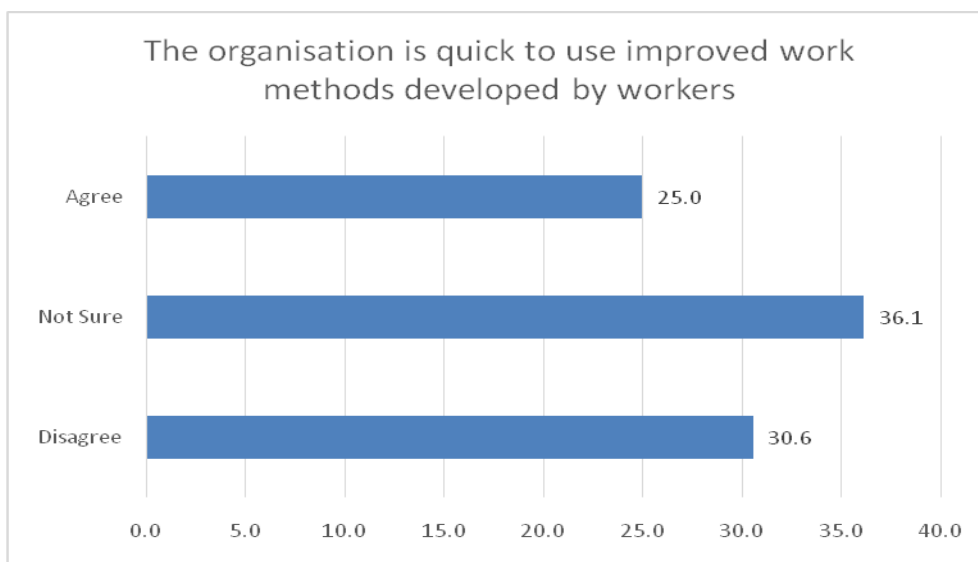


Figure 4.1: Use of improved work methods by workers

#### 4.1.2 Management Awareness and Receptiveness to Ideas and Suggestions From Workers

The results of the study are shown in figure 4.2. It can be observed that 17(47%) of respondents agreed that the management was aware of and very receptive to ideas and suggestions from workers, 12 (33%) of the respondents said they were unsure, 4(11%) said they disagreed while only 3(8%) of the respondents strongly disagreed that the management was aware and receptive to the workers ideas and suggestion.

From the finding therefore, it can be deduced that the Corporation made reasonable strides towards becoming innovative by way of being receptive to ideas hence the score of 47% to its favour. However, given a relatively high score of those who are unsure (33%) this may indicate that the information if not properly communicated to the relevant stakeholders and as such may significantly affect the ability or impact of the corporation’s efforts towards adopting entrepreneurial skills. Osborne and Gaebler (2007) identify an entrepreneur as one who uses resources in new ways to maximize productivity and effectiveness. In this view, entrepreneurs are those leaders who lead to success in their organizations. Public resources and their associated property rights must be defined, understood and managed effectively for innovation to occur (Raymond, 2003).

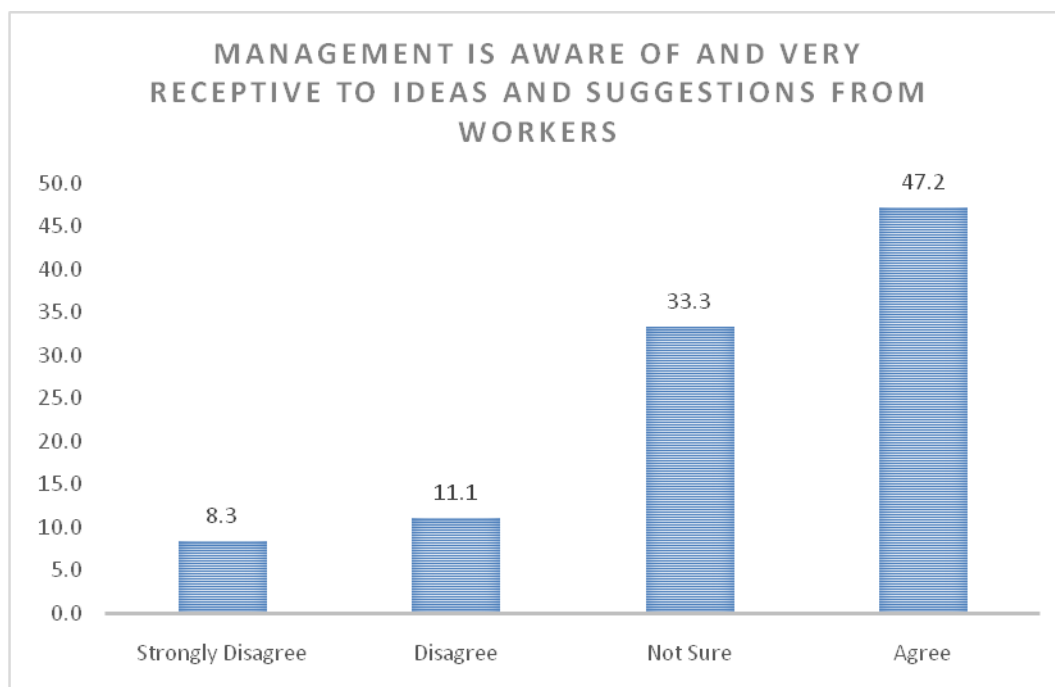


Figure 4.2: Management receptiveness to ideas and suggestions from workers

#### 4.1.3 The Executive Management at the Organization is Known for Their Experience with the Innovation Process

As can be observed in figure 4.6, below, 38% of the respondents agreed that the management are known for their experience with the innovation process, while the higher percentage of 47% was not sure if the management was known for their experience with the innovation process. Risk taking and innovativeness, need for achievement and tolerance for ambiguity had

positive and significant influence on entrepreneurial inclination Mohar, Singh and Kishore (2007). It could be argued that there exist a positive correlation between the level of experience of executive management about innovation process and the level of innovation achieved by an organization, holding other factors constant.

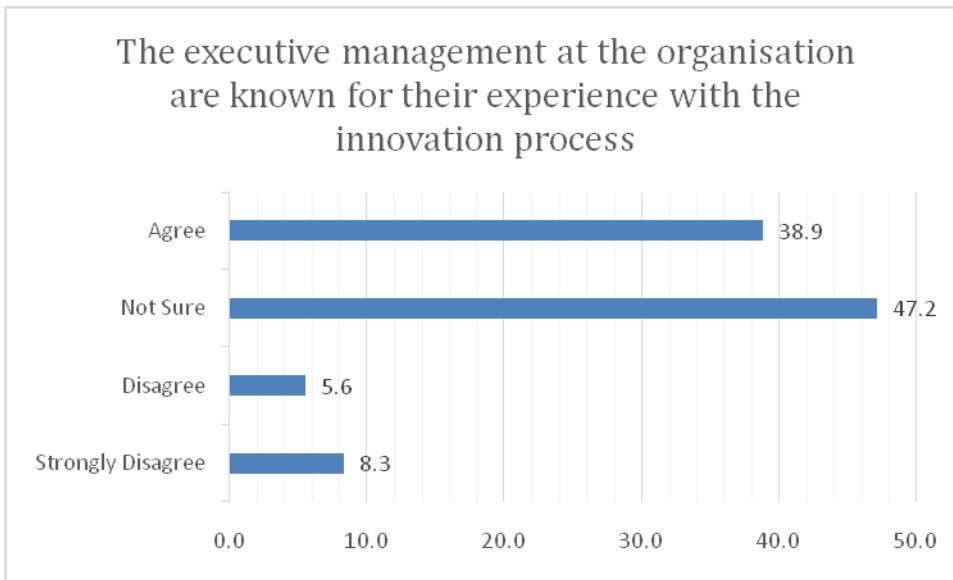


Figure 4.3: Management experience with the innovation process

#### 4.1.4 Existence of Several Options within the Organization for Individuals to Get Financial Support for Their Innovative Projects and Ideas

As can be observed from figure 4.4 that while 12 out of 36 respondents agreed that there exist several options within the organization for individuals to get support for their innovative ideas, a combined response of those who disagreed (25%) and strongly disagreed (19%) returned a higher score of 44% thereby casting doubts to the level of achievement towards innovation. In addition, the high score of 22% of those who are not sure weakens the organizational effort and record of achievement. It could be a reflection of either weak communication of what the organization is doing or weak implementation process. This finding suggests that there has been a low innovation at the organization and hence low adoption of entrepreneurial skills. Adoption of entrepreneurial skills is about identifying opportunities, creatively breaking patterns, taking and managing risks, organizing and coordinating resources (Landstrom 1998).

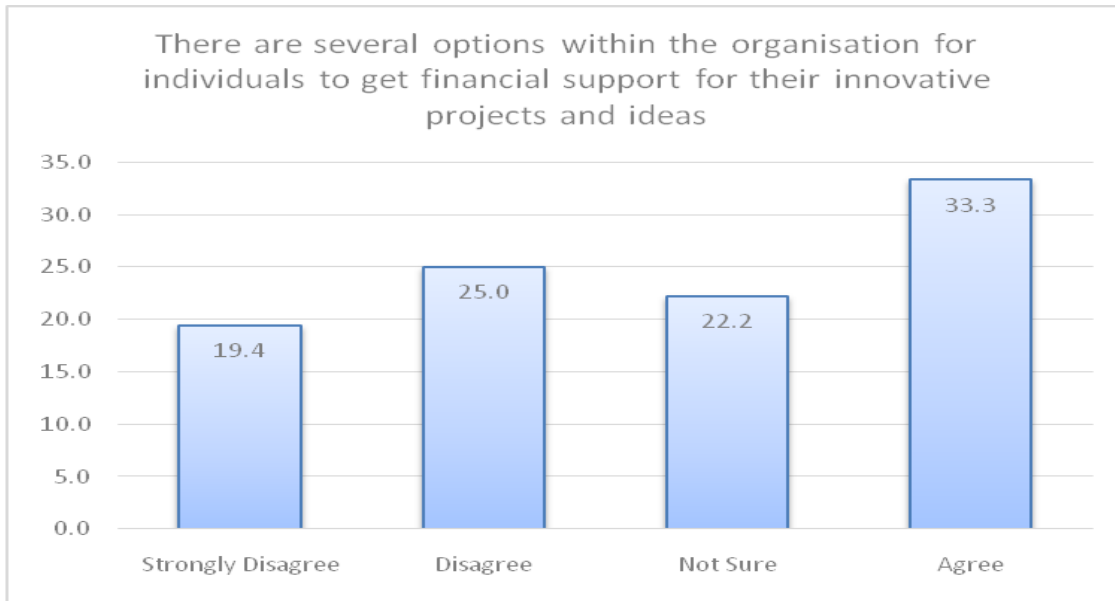


Figure 4.4 Financial support for innovative projects and ideas

**4.1.5 Recognition of Individual Risk Takers for Their Willingness to Champion New Project**

The results from the study are shown in figure 4.5. It can be observed that only 22% of the respondents agreed that the PCK recognizes individual risk takers for their willingness to champion new projects. Over 52% of the respondents disagreed the Corporation recognizes individual risk takers. 25% of the respondents were not sure as to whether or not the Corporation recognizes individual risk takers. Based on this finding, it can be deduced that innovation at the Corporation is insignificant and as such adoption of entrepreneurial skills at the Corporation is likely to be low or insignificant.



Figure 4.5: Willingness to champion new projects whether eventually successful or not

## 4.2 Inferential Statistics

### 4.2.1 Relationship between Independent variable and dependent variable

The study aimed to establish the relationship between the independent variables (innovation, contractual agreements, methods of application of entrepreneurial skills and public sector setting) and the depended variable (adoption of entrepreneurial skills). The study employed Karl Pearson’s coefficient of correlation (r). From the findings there was a positive correlation between adoption of entrepreneurial skills and innovation, as shown by a correlation coefficient of 0.534. There was also a positive correlation between adoption of entrepreneurial skills and contractual agreements, with a correlation coefficient of 0.521. The correlation coefficient between adoption of entrepreneurial skills and methods of entrepreneurial skills was also positive at 0.509, adoption of entrepreneurial skills and public sector setting also correlation positively with coefficient of 0.501. This shows that there was a positive correlation between adoption of entrepreneurial skills and innovation, contractual agreements, methods of application of entrepreneurial skills and public sector setting.

Table 4.1: Relationship between independent variable and dependent variable

		Adoption of entrepreneurial skills	Innovation, Contractual agreements	Application of entrepreneurial skills Public sector setting.
Adoption of entrepreneurial skills	Pearson correlation Sig. (2-tailed)	1		
Innovation	Pearson correlation Sig. (2-tailed)	0.534 0.010	1	

### 4.2.2 Changes in dependent variable

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by change in the independent variables, or the percentage of variation in the dependent variable (adoption of entrepreneurial skills) that is explained by all the four independent variables (innovation, contractual agreements, methods of application of entrepreneurial skills and public sector setting) (Paneerselvam, 2006)

The four independent variables that were studied explain only 51.8% of adoption of entrepreneurial skills as represented by the  $R^2$ . This therefore means that other factors not studied in this research contribute 48.2% of adoption of entrepreneurial skills. Therefore further research should be conducted to investigate the other factors (48.2%) that influence adoption of entrepreneurial skills in the public sector.

Table 4.2: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the estimate
1	0.718	0.518	0.070		0.1178

## 5.0 Summary Conclusions and Recommendations

### 5.1 Summary of Findings

#### 5.1.1 How Innovation Affects Adoption of Entrepreneurial Skill

The study found out that PCK had made efforts to improve on the work methods developed by workers. Work methods that originate from the workers would improve work performance because they would be wholly embraced. The efforts made by the workers to implement new ideas of innovation were not accepted.

The management is aware of and very receptive to ideas and suggestions from workers. The study shows that there is a hindrance in that information is not communicated effectively to the relevant stakeholders. This may significantly affect the impact of the Corporation's effort towards adopting entrepreneurial skills

For an idea to be put into practice, finance is a major player. Lack of finance would mean that the idea is not implemented. As per the study the majority of the staff agree that finance is availed for the innovative projects, but the higher percentage of those who disagree weakens Corporations willingness to adopt new ideas, hence low adoption of entrepreneurial skills.

Recognition of individual risk takers for their willingness to champion new projects is not recognised by the organization. Whether the new projects are successful or not, the employees are not taken seriously. Innovation at PCK is insignificant and as such adoption of entrepreneurial skills at the corporation is low.

### 5.2 Conclusion

Joseph Schumpeter's innovation theory of entrepreneurship (1949) holds an entrepreneur as one having three major characteristics, innovation, foresight and creativity. PCK does not take improved work methods seriously and as such adoption of entrepreneurial skills is minimal. Lack of proper information channels hinders the Corporation's effort towards adoption of



entrepreneurial skills. Bhavani (2006) recommends that companies should adopt radical innovation as it changes existing skill, core competencies and organizational methods. Finance is a major factor when it comes to adoption of entrepreneurial skills. PCK does not offer enough finance for the implementation of new ideas. Entrepreneurship occurs in the public sector where there is an uncertain environment, devolution of power, and at the same time re-allocation of resource ownership, to unit management level. Successful entrepreneurs realise they don't know everything and the market constantly changing, stay up to date on new systems, technology and industry trends.

Embracing contractual arrangements in PCK would mean that they are willing to take the risk and undergo through various changes depending on their set targets. Reward and recognition are motivating factors for employees. This is minimal at PCK. The organization does not recognize and embrace new ideas and innovations. Contractual arrangements come with new ideas and innovations, new work methods and a receptive organization, that would give them a chance to implement, without which the results are not seen. Training equips employees with better methods of work. Courses are important because employees have got to be up to date with current entrepreneurial skills to enable them compete with the competitors. (Neal Jenson 2012). When people feel committed to what they are doing and when they care deeply about it they stand the best chance of being successful at it. To accomplish goals and make their vision a reality, successful entrepreneurs must have drive, persistence, the ability to complete tasks and be willing to work hard. The organization does not do this to be able to encourage its employees and make them more committed to the firm.

### **5.3 Recommendations**

It was on the basis of the above findings that the following recommendations are made. For the growth of the organization it is proper that practical communication channels are established. Finance is important for adoption of entrepreneurial skills. There needs to be finance to implement innovation. The organization should set aside enough funds for this. This would help enhance communication in the organization for the smooth flow of ideas, expected work performance and motivation to the employees. Appraisals would be done and results provided with relevant rewards or reprimand if need be.

The organization should also try to restructure. New ideas and new work methods are important for it to remain relevant. It is important for it to make use of its unique feature. Liaison with other Postal Corporations in the world in order to know how they have embraced the advancement in technology would be an advantage. For employees to be able to perform their duties well, they are supposed to be trained in the specific areas. The organization should distribute duties as per the areas of expertise. Proper training procedures should be adapted so that the employees are kept abreast with the changes in the competitive entrepreneurial world.

#### **5.4 Area of Further Research**

There is need to carry out further research to investigate the other factors that influence adoption of entrepreneurial skills in the public sector. This also precipitates the need to study the success and constraints of the public sector in the adoption of entrepreneurial skills. There are public sector institutions that have been able to adopt entrepreneurial skills and are successful. A study on the factors that have made these institutions successful would help build a base for better government policies so that adoption of entrepreneurial skills is enhanced in the public sector.

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