

The research is embodied in the assessment of the operational and financial sustainability of the Kenya Education Staff Institute (KESI). Intrapreneurship is about bringing entrepreneurial behaviour into an organization and focusing on "extending the firm's domain of competence and corresponding opportunity set through internally generated new resource combinations". To be successful, intrapreneurship needs motivated individuals to take action and an entrepreneurial philosophy to be an integral part of the wider organizations culture and operating principles. This forms the major stimulus of this study.

KESI, being a government agency is entrenched in the rigid hierarchial structures of management in government. It's inadequacy is further compounded by its limited human and financial resources. The consequence of the above is that the education sector will have ill-prepared managers running the education system. The constant unrest and mismanagement in our educational institutions being symptomatic of the gap currently existing in management training.

Both descriptive and inferential statistics were employed in order to allow for measurement of critical variables that bring out comparison with appropriate correlations between value of products and services offered by KESI and financial returns.

The sampling frame included various categories of managers at secondary schools level and key administrators at the Kenya Institute of Administration; Teachers Service Commission; Ministry headquarters and staff at KESI. Stratified and simple random sampling were used to determine sample size. The tools for measurement included the questionnaire and interview schedules. The variables to be measured were based on the Intrapreneurial Assessment Instruments [*Montagno, Kuratko and Hornsby (1990)*] dimensions of Management Support, Organizational; Characteristics and Reward and Resources availability.

The study found that intrapreneurship can be a method of stimulating innovation and using the creative energy of employees by giving them resources and independence they need to innovate within the firm.

In summation KESI came out as an Entrepreneurially Challenged organization since it does not normally embrace new approaches to generate competitive products or services.

Policies recommended from the findings of the study are that: there was need for extrinsic reward to denote the value of the intrapreneurs contribution and encourage them to initiate new projects. It is also important to recognize individual characteristics that foster intrapreneurship. There is also need for KESI to develop an effective business plan that will encompass all the operations involved in a new venture. The business plan will be more than a mere financial proposal but will represent a complete analysis of the new ventures feasibility.

All the above recommendations are intended to address the challenges that came out in the analysis of the research data on KESI and will need to be overcome if the institution is to strive to become an Entrepreneurially Oriented Organization.