

≈ SUMMARY ≈

STRATEGIC ENTREPRENEURSHIP IN THE PUBLIC SECTOR: FACT OR FARCE?

Belinda Luke
Unitec New Zealand
Martie-Louise Verreynne
Auckland University of Technology

Principal Topic

Much debate has centered on the existence, nature and application of entrepreneurship in the public sector (Bellone & Goerl, 1992; Borins, 2000; Terry, 1993). Those authors who argue that entrepreneurship has a place in the public sector, suggest that it may differ from entrepreneurship within private sector firms, explaining that its nature may be that of civic or social entrepreneurship (Bellone & Goerl, 1992), focusing on uplifting society; public entrepreneurship (Shockley, Frank & Stough, 2002), showing elements of democracy; or politic entrepreneurship suggesting a more deliberate approach to entrepreneurship (compare Mintzberg's, 1987 'ploy' strategy).

Moon (1999) argues that political leaders are becoming more interested in fostering entrepreneurship in public sector firms in an attempt to improve government performance. Others such as Moe (1994) suggest the approach to improving government performance should be one of entrepreneurial policy rather than practice. A concept that has not been investigated in public sector firms is the combination of entrepreneurship and strategy, or strategic entrepreneurship. Hitt, Ireland, Camp, & Sexton (2001) are among the few who have considered this concept in detail, and refer to strategic entrepreneurship as 'entrepreneurship with a strategic perspective' (Hitt et al., 2001:480). Research in this area is in its early stages, and most researchers to date have either put forth conceptual papers (e.g. Hitt et al., 2001), or have examined the themes that represent strategic entrepreneurship in isolation (e.g. Amit & Zott, 2001). None of these authors have considered the scope of strategic entrepreneurship beyond private sector firms. This is perhaps due to its focus on growth and wealth creation; concepts or objectives not traditionally associated with public sector firms.

Much of the research on entrepreneurship in the public sector focuses on academic institutions (e.g. Jones-Evans, Steward, Balazs & Todorov, 1998), or government organisations at the local or regional level (Teske & Schneider, 1994). One form of public sector firm that has received little attention, however, is state-owned enterprises (SOEs). While these public sector firms have traditionally provided core services on a national scale with an underlying profit motive, market forces and industry deregulation have increasingly exposed SOEs to competitive and commercial operations in both national and international markets. Hence the importance of entrepreneurial and strategic activity as a means of survival, sustainability, and growth emerges. This paper therefore investigates three SOEs for the existence of strategic entrepreneurship.

Methodology/Key propositions

This study explores the concept of strategic entrepreneurship in three SOEs which have been recognised as both strategic and entrepreneurial. Case studies were developed using a triangulated data collection design. Interviews with a senior executive from each firm were supported with

publicly available data from websites, annual reports, and texts. The data were subsequently transcribed and analysed using N6, a qualitative data analysis package.

A preliminary framework of strategic entrepreneurship was derived based on a review of the literature on both entrepreneurship and strategy. Preparation and analysis of multiple case studies subsequently provided a basis from which the preliminary framework could be examined, as well as the opportunity to develop the framework based on knowledge gained inductively from a comparison of the case study findings (Yin, 2003). Propositions comprising the preliminary framework were also examined against the literature on strategic entrepreneurship, developed for use predominantly in private sector firms. A strong fit between the case data and literature provided practical support for the validity of the results (Yin, 2003). Within this paper the case studies are used to argue the presence or absence of the themes that represent strategic entrepreneurship within these organisations.

Results and implications

The case study results clearly support the existence of strategic entrepreneurship in the SOEs that were examined. The propositions developed through the case analyses strongly support themes identified in the literature on strategic entrepreneurship. This paper therefore proposes that:

P1 Strategic entrepreneurship is recognised as a result of the presence of opportunity recognition, innovation, acceptance of risk, flexibility, vision, and growth in an organisation. Collectively these elements represent the concept of strategic entrepreneurship, a potential source of competitive advantage.

This study goes further to suggest that the elements which are identified as central to the strategic entrepreneurship concept in P1 are typically supported by a number of other elements within SOEs. These elements are proposed as follows:

P2 Strategy, culture, branding, operational excellence, cost efficiency, and transfer and application of knowledge, represent secondary or supporting elements of strategic entrepreneurship which effectively assist in establishing an environment conducive to creating strategic entrepreneurship.

CONTACT: Belinda Luke. Unitec New Zealand, Carrington Road, Mt Albert, Auckland, New Zealand. Tel: + 64 9 815 4321 x 8794, Email: bluke@unitec.ac.nz

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