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EXAMINATION OF THE RELATIONSHIP BETWEEN PUBLIC ENTREPRENEURSHIP (PE) DEVELOPMENT AND ORGANIZATIONAL ENVIRONMENTS: A CONCEPTUAL FRAMEWORK

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Public Entrepreneurship (PE), Entrepreneurial Dimension, Organizational Environments, SWOT Analysis and Conceptual Framework

Abstract

This paper attempts to provide a conceptual framework for investigating the relationship between organizational environments (internal and external environments) and PE development in public sector organizations. The paper is an excerpt from a study that attempts to investigate the impact of organizational environment on PE development in local government areas of Niger State, Nigeria. The paper will analyze and elaborate on the organizational environment and its factors before explaining the concept of PE development. The relationship between organizational environment and PE will be discussed, with an emphasis on the implications of organizational environment in terms of the internal and external

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environment. The influence of the internal and external organizational environment on PE development would be hypothesized. The conceptual framework for this study will serve as a preliminary foundation for an examination of the relationship between PE and organizational environment at the local and national levels.

Introduction

Public sector entrepreneurship, also known as public entrepreneurship (PE) by some scholars, refers to a discipline or concept that provides innovative ways of improving public sector productivity or establishing new public organizations that would improve effective service delivery in the public sector (Klein *et al*., 2013; Hayter, 2015; Mohammed *et al.*, 2021). The concept is widely accepted in developed countries' public spheres (Prelipcean *et al*., 2014; Ćwiklicki, 2017; Liddle & McElwee, 2019), but has little or no significance in developing countries, particularly Africa (Dhliwayo, 2017; Urban & Nkhumeshi, 2019; Veiga *et al*., 2020). In fact, only a few studies were carried out in Africa, particularly in South Africa. However, the use of PE by public institutions is influenced by the environmental and governmental arrangements of localities.

Examining the environment is critical, particularly in the areas of PE development and organizational performance (Yeazdanshenas, 2014). The study of the environment provides critical resources required for an organization's growth and development, as well as influences an organization's decision-making process (Alexandrescu *et al*., 2014; Głód, 2015). Organizational environments influencing PE development, on the other hand, are broadly classified as internal and external factors (Smith, 2012; Yeazdanshenas, 2014; Pourkiani *et al*., 2020). Internal environment refers to organizational environmental factors that are under an organization's control and include both strengths and weaknesses. The external environment, on the other hand, refers to organizational

environmental factors that are beyond an organization's control, but it does include opportunities and threats (Morrinson, 2016).

The concept or adoption of PE is very important in the administration of day-to-day activities of the public sector and, if properly embraced, will help to cushion the effect of management inefficiency, poor service delivery, and erosion of public funds associated with public sector administration (Delabbio & Zeemering, 2013; Lyon, 2016). A large number of studies have been conducted to explain PE at the national level (Gofen & Blomqvist, 2014; Alexandrescu *et al*., 2014; Cunningham, 2016; Lyon, 2016; Fahim 2018, Strow & Strow, 2018), but few studies have been conducted at the local government level (Smith, 2012; Delabbio & Zeemering, 2013; Xing et al., 2018). On that note, the purpose of this study is to investigate the development of PE in Niger State's local government areas in relation to its organizational environment. This will help the community understand their organizational environments' strengths, weaknesses, opportunities, and threats.

Literature review

Public Entrepreneurship (PE)

PE is viewed as a collection of activities that include the creation of public resources as well as the allocation of these resources. It also entails a shift in the institutional environment, the formation of new public organizations, the creation and management of public resources, and the utilization of private-sector spillovers (Ćwiklicki, 2017; Demircioglu & Chowdhury, 2020). It is envisioned as a means of directing political and private actions toward the efficient and effective use of public resources (Ndedi & Anthonites, 2015; Kearney & Meynhardt, 2016).

PE is viewed as a process that generates value for citizens by combining public and private resources in the pursuit of social opportunities (Klein et al. 2013; Prelipcean et al., 2014; Głód, 2015; Deshani 2018; Fahim 2018; Liddle

and McElwee, 2019). PE offers promising opportunities for public sector organizations to revise their working methods in order to deal with the challenges and opportunities associated with providing public value. The implementation of PE in organizations will result in superior organizational performance in the public sector (Liddle 2016; Najmaei & Sadeghinejad, 2016; Fahim, 2018).

Entrepreneurial Dimensions of PE

Scholars have explained the concept of PE in terms of entrepreneurial dimensions to help people understand it better (that is, the ability of an organization or individual to think entrepreneurially) (Głód, 2015). Innovativeness, risk-taking, proactiveness, autonomy, and competitive aggressiveness are among these dimensions. The likelihood of tracking novel ideas is implied by innovativeness (Delabbio & Zeemering, 2013; Clark, 2016; Keyes & Benavides, 2017; Hayter *et al*., 2018; Feyzbakhsh *et al*., 2019; Pourkiani *et al*., 2020); risk-taking implies the ability to take bold action rather than being cautious (Smith, 2012; Głód; 2015). Instead of relying on existing services, proactiveness entails the ability to anticipate and act on opportunities (Głód, 2015; Fahim, 2018); autonomy entails coming up with ideas and seeing them through to completion. (Dhliwayo, 2017; Urban & Nkhumishe, 2019); competitive aggressiveness denotes the ability to overcome obstacles and compete with other organizations. (Głód, 2015).

Głód (2015) was the only scholar who examined PE using the five contemporary entrepreneurial dimensions (innovativeness, risk-taking, proactiveness, autonomy, and competitive aggressiveness) and went on to explain that examining PE based on Miller's conceptualization of three dimensions (that is, innovativeness, risk-taking, and proactiveness) will be myopic, and the incorporation of competitive aggressiveness and autonomy will significantly increase an organization's chances of success

and development, as well as encourage autonomous decisions for future prospect institutions.

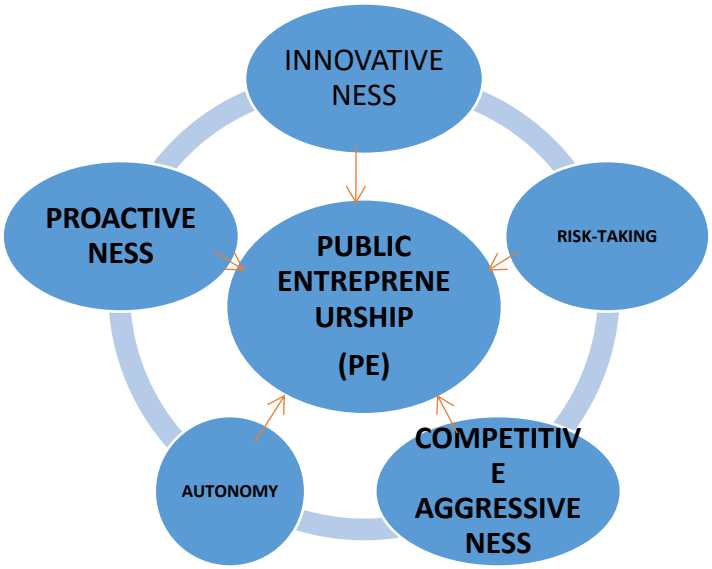

Figure 1. Study's Conception of Public Entrepreneurship (PE)

Organizational Environments

Organizational environments are made up of external forces that influence an organization's performance and operations. It includes all elements that exist within and outside the organization's boundaries and have the potential to affect it. Examples include government regulations, competitors, customers, and suppliers (Mahrous *et al.*, 2020). Managers must understand the environment in order to manage the organization effectively. Academics divide environmental factors into two categories: internal and external environments (Smith, 2014).

The internal environment of an organization consists of factors within the organization that influence its activities. It reveals the organization's strong points and weak points. Employee behavior, the organization's culture, the mission statement, and leadership styles are all part of it. Customers, economic conditions, government regulations, and competition are examples of external environment factors (Pourkiani *et al.*, 2020).

Morrison (2016) investigates the SWOT (strengths, weaknesses, opportunities, and threats) analysis in organizational settings. The SWOT analysis is a planning tool that involves defining organizational goals and identifying internal and external factors that are beneficial or detrimental to those goals' achievement. Morrison (2016) expanded the SWOT model to include People (employees), Resources, Innovation & Ideas, Marketing, Operations, and Finance. PESTEL (Political, Economic, Social, Technological, Legal, and Environmental) factors were used to model opportunities and threats (OT).

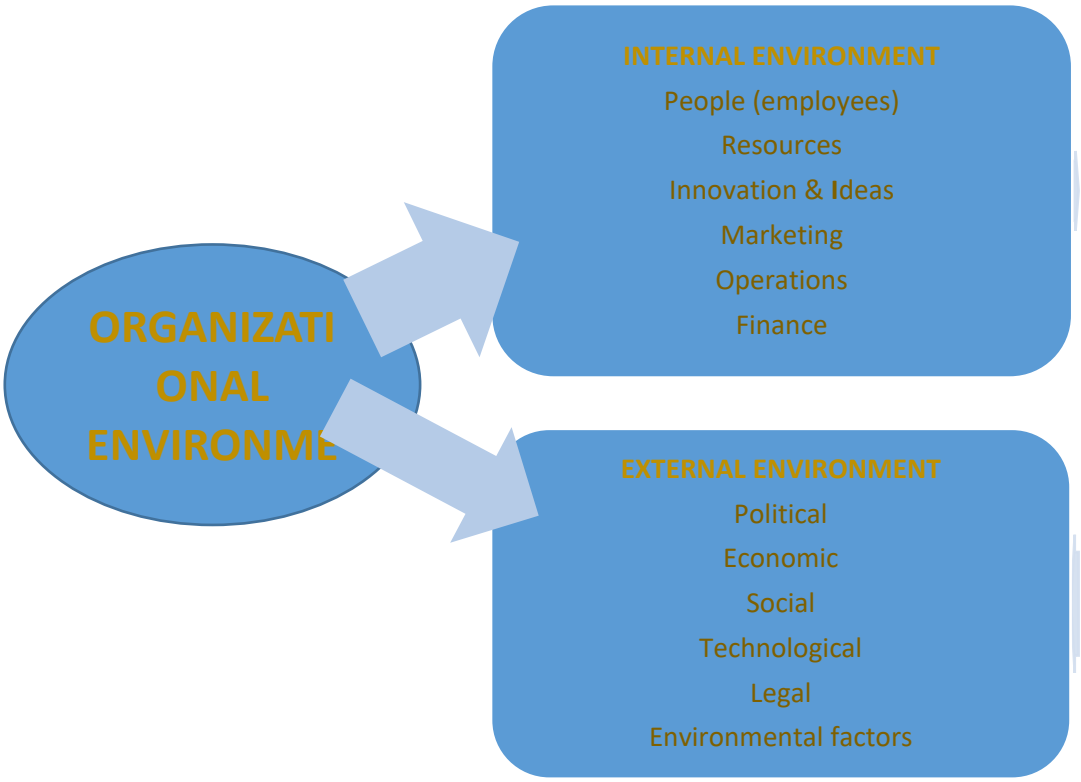

Figure 2. Study's Conception of Organizational Environment

Prior Research and Gap

Previous research has looked at the impact of internal and external factors on PE at various organizational levels. Smith (2012) investigated the role of PE in Local Government Organizations (LGOs). Yeazdanshenas (2014) investigated a conceptual framework for public-sector organizational

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entrepreneurship. Gód (2015) developed a metric for measuring public entrepreneurship, and Fahim (2018) investigated the impact of entrepreneurship on the performance of public-sector organizations. Pourkiani et al. (2020) were the only researchers to investigate the role of internal and external organizations in the development of PE.

Existing literatures on PE could not explicitly examine PE in relation to the organizational environment's strengths, weaknesses, opportunities, and threats (SWOT). As a result, the current document would provide a conceptual framework for investigating the relationship between organizational environment and PE using Morrison's SWOT model, which was developed in 2016.

The Relationship between Organizational Environment and PE

The relationship between the organizational environment and PE is best described by the system approach or theory (TST). It clearly states that an organization's behavior is determined by how it interacts with certain environmental variables. TST is concerned with the interaction of various aspects of an organization, including people, technology, formal structure, physical setting, and environment. This approach has the advantage of allowing an organization to identify critical (stimulating and constraining) variables in their development process. An organization's ability to identify these variables will enable it to have operational capacity. However, the relationship will be discussed in greater depth in the following section (which is the conceptual framework and hypotheses section).

Conceptual Framework and Hypotheses

Morrison (2016) classified the internal organizational environment into strengths and weaknesses (SW), which he divided into People, Resources, Innovation & Ideas, Marketing, Operations, and Finance. The following is how the hypothesis will be written:

H1: The internal organizational environment in terms of People, Resources, Innovation & Ideas, Marketing, Operations, and Finance either stimulates or inhibits the development of PE.

The external organizational environment, on the other hand, will be hypothesized as: Political, Economic, Social, Technological, Legal, and Environmental factors modeled in the direction of opportunities and threats (OT).

H2: The external organizational environment, which includes Political, Economic, Social, Technological, Legal, and Environmental factors, either stimulates or inhibits PE.

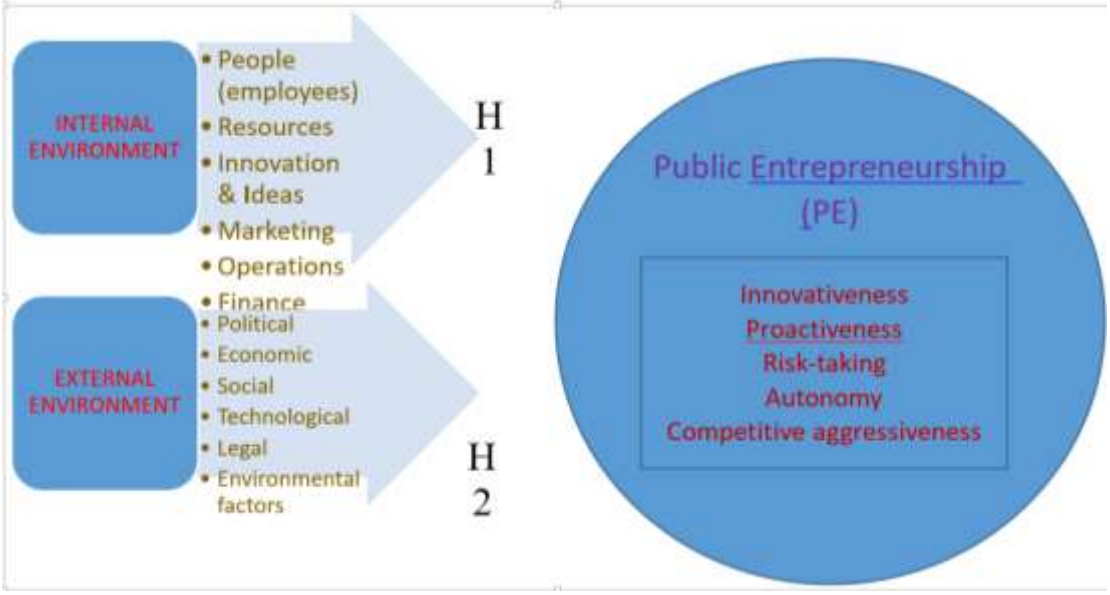

Figure 3. Conceptual Framework

Methodology

The study used a critical review of studies that link PE to organizational environments. The review is similar to Pickering and Byrne (2013)'s systematic quantitative assessment technique, but it is limited to a conceptual, theoretical, and empirical review of PE studies. The review process includes the following steps: i) topic definition (definition of PE and organizational environments), ii) type of article published (Conceptual vs. Empirical), iii) the type of theory used in these articles, iv) publications from various databases that contain the exact phrase "Public Entrepreneurship" or "Organizational Environments.", and v) abstracts and full papers were reviewed to ensure they dealt with PE and organizational environments. A total of 224 articles were reviewed, with 153 for PE and 71 for organizational

environments. The research ensures that the articles reviewed were published within the last decade

Further Studies

This study's conceptual framework will be followed by empirical testing of the hypotheses highlighted in this paper. As a result, the current paper serves as preliminary research for a survey on the relationship between organizational environment and PE development in local government areas of Niger State, Nigeria.

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